



baviaans
PARTICIPATION FOR DEVELOPMENT

umasipala
local municipality
plaaslike munisipaliteit

ANNUAL BUDGET 2015/2016 AND MTREF

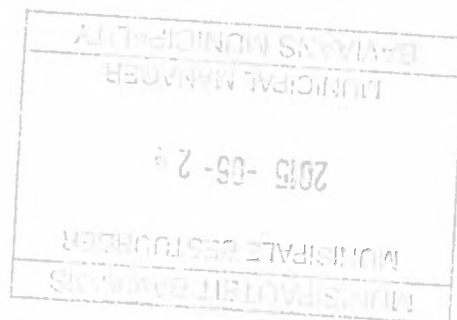


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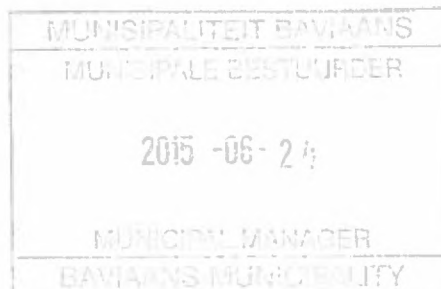
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CHAPTER 1

BURGERMEESTER TOESPRAAK

Raadslede, Munisipale Bestuurder, Departementshoofde, Gaste, Dames en Here. Goeie môre almal.

Die visie van die Baviaans Munisipaliteit is om te streef na die vestiging van 'n progressiewe gemeenskap te midde van 'n veilige omgewing waar basiese dienste gewaarborg word en waar besluitneming gebaseer is op maksimum deelname van die publiek.

In die jaar wat voorlê is die lewering van goeie en ononderbroke dienste aan ons gemeenskap nog steeds een van die hoof doelwitte van die Baviaans munisipaliteit. Landwye ekonomiese druk beïnvloed ook Baviaans Munisipaliteit veral waar die ekonomiese groei in ons dorp so beperk is. Die land se ekonomiese prestasie het verswak in die afgelope paar jaar en sonder uitsondering het Baviaans Munisipaliteit hierdie effek gevoel. Die Bruto binnelandse produk (BBP) het verswak van 3.6% in 2011 tot 1.4% in 2014. Volgens Nasionale vooruitskatting word verwag dat die BBP sal verbeter oor die medium termyn om weer 3% te behaal in 2017.

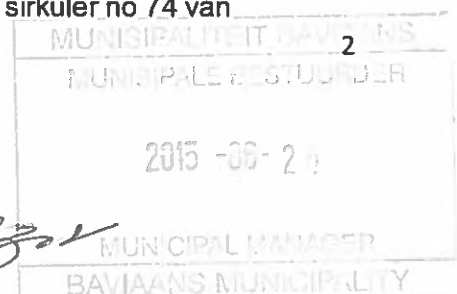

Die gemiddelde verbruikersinflasie vir die afgelope jaar het 5.6% beloop en inflasie vooruitskattings vir die komende boekjare word geskat op 4.8%; 5.9% en 5.6%. Met die voorafgaande syfers in ag genome word daar in die 2015/2016 begroting siklus 'n steeds groter klem gelê op waarde vir geld in al ons spandering, die aanmoediging van besparings en ontginning van alle inkomste bronne ten einde die ekonomiese vooruitgang van die munisipaliteit te verseker.

Dit word verwag dat munisipale inkomstes en kontantvloei onder groot druk sal verkeer gedurende 2015/16 en daar word verwag dat alle munisipaliteite 'n gereserveerde benadering sal toon wanneer inkomstes geprojekteer word vir 2015/16. Baviaans munisipaliteit het gebukkend gestaan onder geweldige kontantvloei probleme gedurende 2014/15 waarvan die volgende die hoof redes daarvan was:

- Die bestuur van die voorheen DMA areas wat by Baviaans ingelyf is sedert 2011 en wat onderbefonds was en nog steed is
- Die terug betaling van R5.2 miljoen aan Nasionale regering vir toekennings ontvang gedurende 2012/13 wat nie ten volle benut was nie.

Die kontantvloei probleme is onder die aandag gebring van Nasionale regering, Provinsiale regering en COGTA.

Die volhoubaarheid en bekostigbaarheid van dienslewering bly hoog op die agenda ten einde die gemeenskappe van bekostigbare en goeie gehalte dienste te voorsien. 'n Verdere uitdaging en moontlike probleem wat baie munisipaliteite in die gesig staar is die feit dat baie munisipaliteite nie koste-reflektiewe tariewe kan bepaal nie as gevolg van die feit dat nie alle koste komponente vir alle dienste bekend is nie. Volgens nasionale sirkulêr no 74 van



12 Desember 2014 word munisipaliteite versoek om die koste komponente te bepaal vir alle dienste en tarief modelle te gebruik in die bepaling van tariewe. Hierdie oefening kan 'n groot uitwerking hê om toekomstige tarief verhogings.

Terselfder tyd word munisipaliteite gemaan om tarief verhogings so laag as moontlik te hou. Munisipaliteite moet alle tarief verhogings bo 6% motiveer. Nasionale Tesourie het aangedui in sirkulêr 74 dat 'n koste berekenings riglyn uitgereik sal word vir riglyne in die berekening van koste bepalende faktore in dienslewering komponente.

Nasionale Tesourie waarsku dat munisipaliteite nie vir onbefondsde/onderbefondse mandate moet begroot nie. 'n Onbefondsde/onderbefondse mandaat word gedefinieer as funksies van ander regerings departemente wat 'n munisipaliteit verrig en waar die munisipaliteit noemenswaardige kostes uit hulle eie inkomste befonds. Sulke mandate is 'n institusionele en finansiële risiko vir munisipaliteite waar groot bedrae befondsing gespandeer word aan nie-kern funksies ten koste van basiese diens lewering. Die plig van munisipaliteite is om voorsiening in hulle begrotings te maak vir basiese dienste soos elektrisiteit, water, sanitasie en vullis verwydering. 'n Munisipaliteit mag slegs vir nie-kern dienste begroot (bv. Kleuterskole, sportvelde, biblioteke, museums, gesondheidsdienste, ens) as:

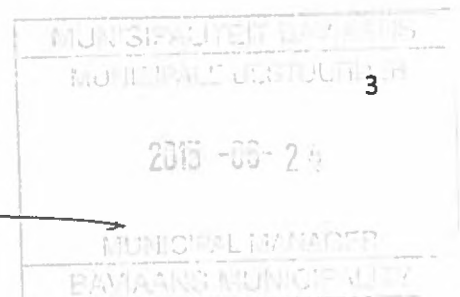
- Die funksie gelys is in Skedule 4B en 5B van die Konstitusie
- Die funksie geallokeer is aan die munisipaliteit in terme van nasionale of provinsiale wetgewing
- Die munisipaliteit basiese dienste geprioritiseer het en
- Dit nie die finansiële volhoubaarheid van die munisipaliteit belemmer nie.

Die begroting wat ek hier ter tafel lê, is opgestel in terme van die bepalings van die Munisipale Finansiële Bestuurswet (Wet 56 van 2003) en voldoen aan die algemeen aanvaarde rekeningkundige praktyk soos van toepassing op plaaslike bestuur. Die begroting is opgestel binne die riglyne van Makro Ekonomiese groei en spreek ook van die Nasionale Beleidsraamwerk en Provinsiale prioriteite aan wat onder andere die volgende insluit:

- Die bou van kapasiteit in plaaslike regering deur die "terug na basiese beginsel" wat fokus op verbetering van dienslewering, aanspreeklikheid en finansiële bestuur.

Die volgende onderliggende faktore is ook in aanmerking geneem met die opstel van die 2015/2016 begroting:

- Die huidige sosio-ekonomiese en maatskaplike omstandighede van ons gemeenskappe en veral die hoë werkloosheidsyfer in die munisipale gebied.
- Eksterne faktore wat 'n direkte invloed op die begroting het soos die voorgestelde Eskom prysverhoging van 14.24%, verbruikersinflasie, die loonooreenkoms wat met georganiseerde arbeid ooreengekom is en wat op 30 June 2015 tot einde kom en die moontlik impak daarvan op salarisse verhogings, asook ander faktore wat die koste van dienslewering kan beïnvloed.



FOKUS VAN DIE 2015/2016 BEGROTING

- In die 2015/2016 begroting word klem gelê op kern dienslewering verpligtinge wat grondwetlik aan die munisipaliteit opgedra is.
- Die instandhouding van bestaande infrastruktuur geniet weereens voorkeur en daar word fokus geplaas op voorkomende en geskeduleerde onderhoud wat deur behoorlike beplanning voorafgegaan is.
- Verskaffing van basiese dienste, die verbetering van die gehalte van behuising en infrastruktuur asook ekonomies volhoubare dienslewering.

KAPITAALBEGROTING

Die Kapitaalbegroting is 'n uitvloeisel van die GOP en bevat inligting verkry vanaf die onderskeie gemeenskappe deur middel van openbare vergaderings en wykskomitee prosesse. Die kapitaalbegroting vir die 2015/2016 boekjaar beloop R31.450 miljoen met die hoof fokus op die volgende projekte:

Watersverskaffing Steytlerville – Erasmuskloof	-	R20.884 Miljoen
Lewensvatbaarheid studie – Wanhoop water	-	R220 duisend
Paaie Willowmore	-	R1.755 Miljoen
Paaie Steytlerville	-	R1.755 Miljoen
Sportvelde Baviaans	-	R1.167 Miljoen
Rioolwerke Manenza Square	-	R1.929 Miljoen
Rietbron Hoë mas lig	-	R175 Duisend
MIG LED projekte	-	R389 Duisend
IT infrastruktuur opgradering	-	R789 duisend
Vervanging van ou water meters Rietbron	-	R1.593 Miljoen
Voertuie (huurkoop)	-	R792 duisend

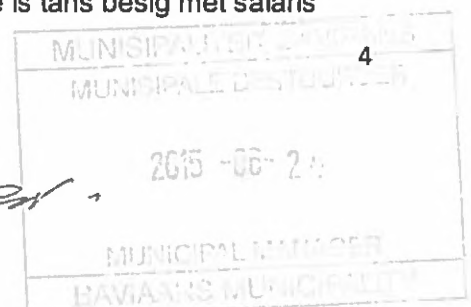
*(Die bedrae is uitgesluit BTW)

Kapitaalprojekte word deur middel van toekennings en skenkings ten bedrae van R31.450 Miljoen befonds. Die munisipaliteit het nie genoegsame befondsing om kapitaal projekte uit eie inkomste te finansier nie.

BEDRYFSBEGROTING

Die bedryfsbegroting vir die 2015/2016 boekjaar beloop R78.032 Miljoen wat 'n verhoging van 3.7% op die 2014/2015 gewysigde begroting meebring. Die onderhoudsbegroting vir die komende begrotingsjaar beloop R2.646 Miljoen wat 3.4% van die totale bedryfsuitgawes verteenwoordig.

Daar word vir 'n algemene salarisaanpassing van 6.2% begroot. Die ooreenkoms met georganiseerde arbeid kom tot einde op 30 Junie 2015. Die partye is tans besig met salaris



onderhandelinge.

Die totale salaris begroting, inklusief van die vergoeding van openbare ampsdraers, vir die komende boekjaar beloop R26 554 Miljoen wat 34.03% van die totale bedryfsbegroting verteenwoordig.

Die hoof bronne van inkomste sien soos volg daama uit:

- | | |
|-----------------------------|-----------------|
| • Verkoop van Elektrisiteit | R12.637 Miljoen |
| • Eiendomsbelasting | R4.814 Miljoen |
| • Verkoop van Water | R4.339 Miljoen |
| • Rioolgelde | R2.770 Miljoen |
| • Vullisverwyderingsgelde | R3.183 Miljoen |
| • Subsidies en Toekennings | R28.054 Miljoen |

DEERNISHULP

Daar word in die bedryfsbegroting voorsien vir deernis hulp aan kwalifiserende huishoudings wat 50 eenhede Elektrisiteit, 6 Kiloliter water asook 100 % subsidie vir riolering en vullisverwydering en eiendomsbelasting insluit. Die deernis beleid maak voorsiening dat alle huishoudings waarvan die inkomste minder is as 2 maal die regerings se ouderdoms-pensioen per maand vir subsidie kwalifiseer. Daar word begroot vir deernis hulp ten bedrae van R7.267 miljoen vir die 2015/2016 boekjaar.

Daar word ook 'n bedrag van R60 000 opsy gesit vir die herstel van waterlekkasies in deernis huishoudings.

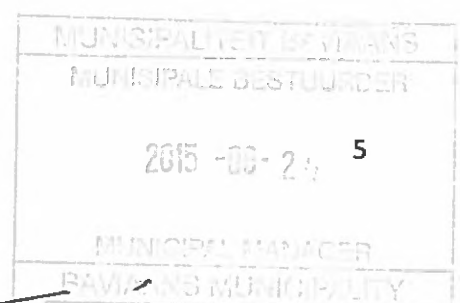
TARIEWE

Dit is noodsaaklik om die finansiële volhoubaarheid en lewensvatbaarheid van die Raad te verseker en daar is dus met die bepaling van die tariewe ook van hierdie beginsels gebruik gemaak. Dit word as doelwit gestel om te verseker dat die handels- en ekonomiese dienste van die Raad, elk onafhanklik en volhoubaar bedryf kan word.

Ek vind dit noodsaaklik om aan u voor te hou dat die tariewe wat tans gehef word nie voldoende is om die lewensvatbaarheid van die dienste en die munisipaliteit te verseker nie, en daar in die komende begrotingsjare daadwerlik aandag geskenk sal moet word aan die instelling van tariewe wat die werklike koste van dienslewering verteenwoordig. Die bestuursplan het reeds begin om in die begroting vir 2015/16 voorsiening te maak vir meer koste-reflektiewe tariewe. Hierdie beginsel sal egter ingefaseer moet word oor 'n aantal jare.

Ek wil egter oor twee baie belangrike aspekte waarsku

- (a) Dat ons nie onself uit die mark sal prys



- (b) Dat ons nie op 'n eiland van hoë tariewe sal beland met munisipaliteite rondom ons met laer tariewe

Die gemiddelde persentasie tariefverhogings vir die hoof bronne van inkomste uit verbruikers-dienste is soos volg:

Eiendomsbelasting	- 10%
Riool	- 15%
Vullisverwydering	- 15%
Water	- 15%
Elektrisiteit	- 15%

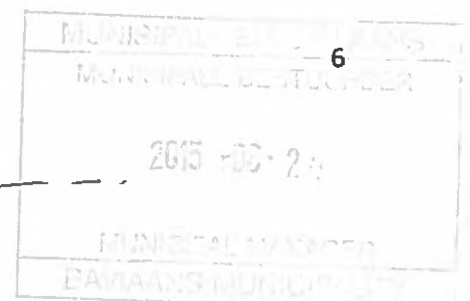
Die munisipaliteit het 'n nuwe waardasie rol geïmplementeer effektief van 1 Julie 2014.

GEïNTEGREERDE ONTWIKKELINGSPLAN

Die nuwe Geïntegreerde Ontwikkelingsplan vir die volgende 5 jaar word ook vandag voorgelê vir goedkeuring. Ons is trots op ons nuwe plan wat 'n verskeidenheid van sake aanraak soos bv. die ekonomiese toestand van die gemeenskap in Baviaans, ons finansiële toedrag van sake en dan ook van kardinale belang is ons projekte wat beplan word vir die volgende 5 jaar. Die Geïntegreerde Ontwikkelingsplan het 'n volledige projekte register wat beide projekte wat reeds befondsing het en projekte wat nog befondsing kort aandui. Die Geïntegreerde Ontwikkelingsplan en begroting loop hand aan hand met mekaar en koppeling met mekaar word aangedui in die begrotings dokument. Die Geïntegreerde Ontwikkelingsplan en begroting probeer om die dienslewering agterstande te adresseer wat prioriteit moet geniet oor die volgende vyf jaar. Die munisipaliteit se strategiese doelwitte en nasionale prioriteite word ook uitgelê in hierdie dokument.

Die volgende projekte geïdentifiseer in die GOP is in ag geneem in die begroting vir 2015/16

• Kwartaalike nuusbrief	-	R36 000
• Handelsmerk en bemarking	-	R5 290
• Personeel opleiding	-	R31 740
• Wykskomitees	-	R46 928
• Voorgeskrewe bevoegdheids		
Opleiding – bestuur	-	R147 000
• Finansiële leerlingskap	-	R415 200
• Biblioteke	-	R300 000
• Plaaslike ontwikkelings program		
- opleiding	-	R26 450
• Ontwikkeling van opleiding sentrum		
Steytlerville	-	R190 000
• Toerisme	-	R217 815
• Willowmore grootmaat water		
Wanhoop (Lewensvatbaarheid studie)	-	R250 000
• Steytlerville grootmaat water		



Erasmuskloof	-	R23 808 000
• Elektrisiteit meters	-	R136 000
• EPWP	-	R1 018 000
• Opgradering van sportvelde	-	R1 330 500
• Riolerings stelsel Manenza Square	-	R2 200 000
• Hoë mas lig Rietbron	-	R200 000
• Opgradering van IT stelsel	-	R900 000
• Vervanging van ou water meters	-	R1 816 000
• Voertuie	-	R902 979

Soos u kan sien is die EPWP befondsing drasties ingekort. Dit is dus nodig dat

- (a) Die tegniese departement voor einde Mei 'n voorlegging aan die Raad doen oor hoe hierdie fondse bestee gaan word
- (b) Dat die groot hoeveelheid Sakha Isizwe werkers in ons midde baie meer effektief gebruik moet word

Vir hierdie doel word 'n beroep op die Munisipale Bestuurder gedoen om baie meer aandag aan die effektiwiteit van Sakha Isizwe te gee.

Die doel moet wees dat die Baviaans Munisipaliteit EPWP en Sakha Isizwe werkers moet gebruik om die dorpe skoon en netjies te hou.

SDBIP (DIENSLEWERING EN BEGROTING IMPLEMENTERINGSPLAN)

Die hoëvlak SDBIP word hierby aangeheg en is 'n aanduiding van die diensleweringsteikens wat vir die 2015/2016 boekjaar gestel word, klem word gelê op die handhawing en verbetering van diensleweringvlakke en ook uitbreiding van dienslewering aan al ons gemeenskappe.

ORGANOGRAM

Effektiewe uitsette van personeel wat in lyn is met hul salarisse is 'n groot bron van kommer. Dit is baie moeilik om bogenoemde salarisverhogings aan die publiek te verkoop terwyl die publiek bewus is van die lae uitsette van sekere personeellede verbonde aan sekere poste. Die organogram was terug verwys na die 'HR'-komitee en word nou voorgelê vir finale goedkeuring.

TEN SLOTTE

Die meegaande begroting wat ek hier ter tafel lê was onderworpe aan openbare deelname prosesse en die insette van die gemeenskap and ander rolspelers was in ag geneem waar moontlik.



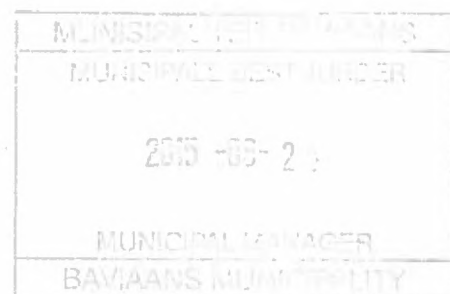
My dank aan die CFO en haar personeel vir die saamstelling van hierdie begroting onder baie moeilike omstandighede. Verder wil ek ook my dank uitspreek vir die Gemeenskapsdienste departement vir die opstel van 'n hoogstaande GOP dokument.

EK DANK U



E. LOOCK

BURGEMEESTER



MAYORAL SPEECH

Councilors, municipal manager, head of departments, guests, ladies and gentlemen, good morning to all.

The vision of the Baviaans Municipality is to strive towards the establishment of a progressive community within a safe environment where basic service delivery is guaranteed and wherein decision-making is based on maximum participation from the community.

In the next financial year the rendering of good quality and uninterrupted services to our community still remains one of the main priorities of the Baviaans Municipality. Economic pressures country wide also has an influence on Baviaans Municipality especially considering the limited economic growth in our towns. The country's economic performance has deteriorated over the past several years and without exception Baviaans Municipality felt the effect thereof. The Gross Domestic Product (GDP) deteriorated from 3.6% in 2011 to 1.4% in 2014. According to National Treasury's predictions it is estimated that the GDP will improve over the medium term to reach 3% again in 2017.

The average inflation rate for the past year was 5.6% and the projections are that, for the MTREF period it will be at 4.8%, 5.9% and 5.6%. Considering the aforementioned we still place strong emphasis on value for money in all our procurement processes, and that we continue to encourage savings and strive to maximize all possible revenue in our strive to secure the economic progression of the municipality.

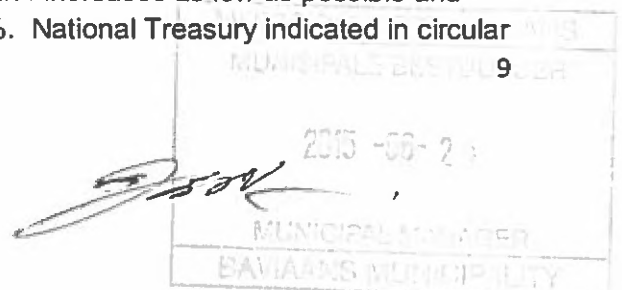
It is expected that municipal revenue and cash flows will remain under pressure in 2015/16 and municipalities are advised to adopt a conservative approach when projecting their revenue and cash receipts for 2015/16. The Baviaans municipality was struggling severely with cash flow constraints during 2014/15 of which the main reasons could be contributed to:

- The management of the previously DMA areas which was incorporated with Baviaans during 2011 and which was and still is under funded
- The repayment of R5.2 million to the National Fiscus for unutilised grand funding during 2012/13 financial year.

The cash flow problems were report to National Treasury, Provincial Treasury and COGTA.

The provision of affordable and sustainable, quality services to all our communities remain high on the agenda. A further challenge identified, facing most municipalities, are the fact that most municipalities cannot achieve cost-reflective tariffs due to the problem that cost component for all services is not known. According to National Treasury circular no 74 of 12 December 2014 municipalities are requested to determine all cost factors for all services and to use a tariff model to determine tariffs. This exercise could have a huge impact on future tariff increases.

At the same time municipalities are cautioned to keep tariff increases as low as possible and should therefore motivate any price increases above 6%. National Treasury indicated in circular



74 that a costing guideline will be issued for guidance and tools in the costing of services rendered to consumers.

National Treasury cautioned municipalities not too budget for unfunded or underfunded mandates. An unfunded/underfunded mandate is defined as when municipalities perform the functions of other spheres of government and bear significant costs out of their own revenue sources. These unfunded/underfunded mandates pose an institutional and financial risk to the municipality as substantial amounts of own funding is allocated to non-core functions at the expense of basic service delivery. The duty of the municipality is to provide for basic services such as electricity, water, sanitation and refuse removal in their budgets. A municipality may only provide for non-core functions (e.g. crèches, sports fields, libraries, museums, health services, etc in the budget if:

- The function is listed in Schedule 4B and 5B of the Constitution
- The function is assigned to municipality in terms of national and provincial legislation
- The municipality has prioritised the provision of basic services and
- It does not jeopardise the financial viability of the municipality

The budget I am tabling here today was prepared in accordance with the prescripts of the Municipal Finance Management Act, (Act 56 of 2003) and complies with Generally Recognized Accounting Practice as applicable to Local Government.

The budget was compiled, taking into account the Macro-economic growth parameters and also addresses the following National key priorities and Provincial priorities including the following:

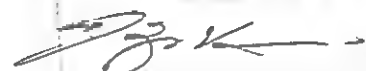
- Building the capacity of local government through the “back to basics” approach

The following underlying factors were also taken into consideration with the compilation of the 2015/2016 budget:

- The current socio economic circumstances of our communities and especially the high rate of unemployment
- External factors having a direct impact on the budget such as the Eskom tariff increase of 14.24%, consumer inflation, the wage agreement concluded with organized labour which comes to end at 30 June 2015 and the possible impact thereof on wage increases as well as other cost factors influencing service delivery.

FOCUS OF THE 2015/2016 BUDGET

- With the 2015/2016 budget, emphasis is placed on the core service delivery obligations assigned to the municipality in the constitution.
- Maintenance of existing infrastructure enjoys preference once again and we are focusing on preventative and scheduled maintenance preceded by proper planning processes.



- Provision of basic services, improvement of the quality of housing, infrastructure as well as sustainable service delivery.

CAPITAL BUDGET

The capital budget flows from the IDP process and contains information obtained from relevant stakeholders and communities through a public participation process as well as ward committee processes where applicable. The capital budget for the 2015/2016 financial year amounts to R31.450 million with the main focus on the following:

Provision of water: Steytlerville – Erasmuskloof	-	R20.884 million
Feasibility study – Wanhoop water	-	R220 thousand
Streets Willowmore	-	R1.755 million
Streets Steytlerville	-	R1.755 million
Sport Fields Baviaans	-	R1.167 million
Waste Water Treatment works Rietbron	-	R1.929 million
LED projects	-	R389 thousand
Rietbron High mast light	-	R175 thousand
Upgrade of IT infrastructure	-	R789 thousand
Replacement of old water meters Rietbron	-	R1.593 million
Lease vehicles	-	R792 thousand

(*The above figures are excl VAT)

Capital projects for the 2015/2016 financial year are funded from grants receivable from the National and Provincial Government amounting to R31.450 million. The municipality does not have sufficient funds to fund projects out of own revenue.

OPERATING BUDGET

The operating budget for the 2015/2016 financial year amounts to R78.032 million which represents an increase of 3.7% over the adjustment budget for the 2014/2015 financial year. The maintenance budget for the coming financial year amounts to R2.646 million which represents 3.4% of the total operating expenditure.

A 6.2% across the board general salary increase is budgeted for. The wage agreement with organized labour is coming to end on 30 June 2015. The parties are currently negotiating salary increases.

The total salary expenditure amounts to R26.554 million and represents 34.03% of the total budgeted expenditure. This amount also includes the remuneration applicable to public office bearers.

The major sources of revenue can be summarized as follows:



Sale of Electricity	R12.637 million
Assessment Rates	R4.814 million
Sale of Water	R4.339 million
Sewer fees	R2.770 million
Refuse fees	R3.183 million
Grants and Subsidies	R28.054 million

INDIGENT SUBSIDIES

Provision is made in the operating budget for the subsidizing of the indigent households. The subsidy includes 6000 liters of water, 50 units of electricity as well as a 100% subsidy on the refuse, 100% on assessment rates as well as the sewer tariff applicable to a household. The indigent policy provides for assistance to be given to households with a monthly income of less than twice the government pension.

The total budget for Indigent subsidies amounts to R7.267 million for the 2015/2016 financial year.

Provision is also made for the repair of water leakages at indigent households in the amount of R60 000 for the 2015/2016 financial year.

TARIFFS

It is of essence that the financial viability and sustainability of the municipality is secured and therefore the principle of economic viability and sustainability was applied in the tariff determination for the 2015/2016 financial year. The aim of the tariff determinations are to ensure that all services can be run as a going concern on an independent and sustainable manner.

I find it necessary to point out that the current tariffs are not sufficient to ensure the sustainability of services and we would need to emphasize the implementation of cost reflective tariffs, essential for the economic viability of the municipality in the concurrent financial years. Management has already started with this in the budget of 2015/16. This principle will however have to be phased in over a few years.

The proposed average increase in the main tariff categories for the 2015/2016 financial year is as follows:

Assessment rates	- 10%
Sewerage	- 15%
Refuse removal	- 15%
Water	- 15%
Electricity	- 15%



The municipality implemented a new valuation roll as from 1 July 2014.

I want to raise the following aspects of caution however

- (a) that we stay competitive in terms of market price
- (b) that we do not find ourselves on an island of high tariffs surrounded by municipalities with lower tariffs

INTEGRATED DEVELOPMENT PLAN (IDP)

The new IDP for the next 5 years is also presented today for approval. We are proud of our IDP which discusses a variety of topics such as the economic welfare of the community of Baviaans, our financial situation as well as our projects that our planned for the next 5 years. The IDP includes a comprehensive project register which indicates both funded and unfunded projects. The IDP and budget is linked with each other and the linkage is illustrated in the budget document. The IDP and budget tries to address service delivery backlogs which needs priority over the next five years. The municipality's strategic objectives and also the national priorities are clearly indicated in the document.

The following projects identified in the IDP has been considered in the budget for 2015/16

• Quarterly newsletter	-	R36 000
• Branding and marketing	-	R5 290
• Personnel training	-	R31 740
• Ward committees	-	R46 928
• Competency training managers	-	R147 000
• Financial interns	-	R415 200
• Libraries	-	R300 000
• LED – training	-	R26 450
• Development of training centre Steytlerville	-	R190 000
• Tourism	-	R217 815
• Willowmore bulk water Wanhoop Feasibility study	-	R250 000
• Steytleville bulk water Erasmuskloof	-	R23 808 000
• Electricity prepaid meters	-	R136 000
• EPWP	-	R1 018 000
• Upgrading of sports fields	-	R1 330 500
• Upgrading of sewer network Manenza Square	-	R2 200 000
• High Mast Light Rietbron	-	R200 000
• Upgrading of IT system	-	R900 000
• Replacement of old water meters	-	R1 816 000
• Vehicles	-	R902 979



As you can see the EPWP funding has been reduced drastically. It is necessary that

- (a) the Technical Department makes a presentation to Council before the end of May 2015 on how these funds will be spent
- (b) that the high number of Sakha Isizwe workers in our midst be used more efficiently.

For this purpose the Municipal Manager and management are urged to pay more attention to the effectiveness of Sakha Isizwe.

The aim must be that the Baviaans Municipality use EPWP and Sakha Isizwe workers to keep towns clean.

SDBIP (SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN)

The top level service delivery and budget implementation plan is attached herewith and is an indication of service delivery targets that is set for the 2015/2016 financial year. Emphasis is placed on sustaining and improving service delivery levels and extending services to all our communities.

ORGANOGRAM

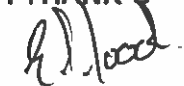
An effective output of personnel which is in line with their salaries is a big concern. It is very difficult to sell salary increases to the public while the latter is aware of the low output of some personnel in certain posts. The was referred back to the HR committee and is now ready for final adoption.

IN CONCLUSION

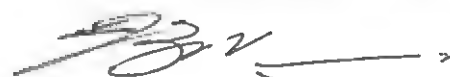
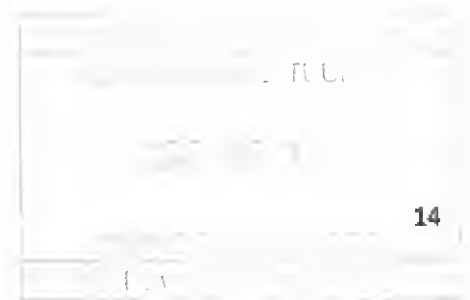
The budget submitted here today was taken through a process of public participation to obtain input from all role players. Input obtained has been considered and where possible incorporated into the final budget.

Thank you to the CFO and her personnel for the compilation of this budget under difficult circumstances. Furthermore, I would like to express my gratitude to the Community Services department for the compilation of an IDP of high standards.

I THANK U



**E LOOCK
MAYOR**



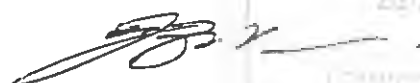
CHAPTER 2

COUNCIL RESOLUTION

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the Annual budget of the Baviaans Municipality for the financial year 2015/16; and indicative allocations for the two projected outer years 2016/17 and 2017/18; and the multi-year and single year capital appropriations are approved as set-out in the following tables:
 - 1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 1.4. Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.
2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:
 - 2.1. Budgeted Financial Position;
 - 2.2 Budgeted Cash Flows;
 - 2.3 Cash backed reserves and accumulated surplus reconciliation;
 - 2.4 Asset management; and
 - 2.5 Basic service delivery measurement.
3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out in annexure A, that were used to prepare the estimates of revenue by source, are approved with effect from 1 July 2015.
4. That in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) the tariffs for other services, as set out in Annexure A, that were used in compiling the final budget, are approved with effect from 1 July 2015
5. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are approved.
6. That free basic services be provided to all registered indigent consumers **only** as follows:
 - The first 50 units of electricity free of charge
 - The first 6 kiloliters of water free of charge
 - Refuse removal - full subsidy of single residential monthly levy and town cleaning levy
 - Sewerage – full subsidy of single residential monthly usage and basic service charges
 - Property rates 100% subsidy



7. That interest be charged on all debtors accounts outstanding for a period of more than 30 days at the prevailing prime interest rate plus 2% charged by the Municipality's Banker.
8. That in terms of the provisions of **Section 75A** of the Municipal Systems Act, 32 of 2000, the notice of the tariff amendments be displayed on notice boards at all municipal offices, libraries, and be advertised in local newspapers.
9. That in terms of the provisions of the Municipal Property Rates Act, (Act 6 of 2004) the remissions be granted to property owners in terms of the provisions of the municipal rates policy subject to the conditions contained in said policy
10. That the amount due in respect of annual assessment rates for the 2015/2016 be due and payable on or before 30 September 2015.
11. That the amount due in respect of monthly Assessment rates and other service, basic and consumption charges, fees and penalties be due and payable on or before the following dates: 15 July 2015, 17 August 2015, 15 September 2015, 15 October 2015, 16 November 2015, 15 December 2015, 15 January 2016, 15 February 2016, 15 March 2016, 15 April 2016, 16 May 2016, 15 June 2016.
12. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the amendments to the rates policy as indicated are approved with effect 1 July 2015
13. That in terms of the municipal budget and reporting regulations, paragraph 7, the amendments to the budget policies, as indicated, are approved with effect 1 July 2015
14. That in terms of section 6 of the Local Government: Municipal Property Rates Act, 2004 the Property Rates by-law be approved with effect 1 July 2015
15. That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the final IDP for 2015/16 – 2019/20 be approved.
16. That the Service delivery targets be approved
17. That Council approves the application for an overdraft facility to the value of R3 million as discussed in the budget document.
18. That Council approves the application for finance leases for the acquisition of vehicles as discussed in the budget document
19. That the final documents be available for inspection and comments at the following places:
 - Willowmore Municipal office
 - Steytlerville Municipal Office
 - Rietbron Municipal Office
 - Willowmore, Rietbron, Steytterville & Bavianskloof Libraries



CHAPTER 3

EXECUTIVE SUMMARY

PREFACE

Baviaans Municipality is a category B Municipality and together with 9 other category B municipalities form the Sarah Baartman District Municipal area.

Baviaans Municipality covers an area of 11 668.52 square kilometers with three urban nodes, namely Willowmore and Steytlerville and Rietbron. Willowmore is the nodal point of the municipality as determined in terms of the Section 12 notice published in terms of the provisions of the municipal structures Act and also serves as administrative hub for the municipality, the district offices of Provincial as well as National Government Departments.

The area is scarcely populated with a population density of 1.68 per km². The Local municipality is situated between 23 and 25 degree longitude and 33 and 34 degree of Southern Latitude and is approximately 1500 meters above sea level.

The well known Baviaanskloof Nature Reserve is situated in the southern portion of the jurisdictional area and also covers approximately 60% of the municipal area. Agriculture, tourism and service industries form the basis of the area's economy.

The budget tabled here today is the MTREF (Medium Term Revenue and Expenditure Framework) for the 2015/2016, 2016/2017 and 2017/2018 financial years as legislatively prescribed.

The following documents were considered in the preparation of the budget:

- National treasury circulars 74 & 75 as well as other prior year circulars giving guidance on budget processes
- The municipal budget and reporting regulations as issued in government gazette 32141 on 17 April 2009

CAPITAL BUDGET

The drafting of the IDP runs concurrent with the 2015/2016 budget process in order to update the Medium Term Expenditure Framework (MTEF). The IDP budget link is summarized in the supporting tables attached hereto.

The Medium Term Expenditure Framework should guide the municipality with regards to its funding requirements in the medium term (3 years). Confirmed capital grant funding for the 2015/2016 financial year amounts to R34.051 Million.

Capital investment for the 2016/2017 financial year amounts to R8.585 Million and the 2017/2018 financial year amounts to R8.823 Million. A total of R51.459 Million is thus needed to finance the Medium Term Expenditure Framework. The aforementioned capital requirements are only indicative of the confirmed funding for the MTEF and do not include issues of priority where funding applications are in process and have not yet been confirmed.

From the MTEF it is clear that the council is once again relying on grants and subsidies for the funding of its capital requirements, the main source being MIG and Regional Bulk infrastructure grants.

Main contributing factors to the capital budget for the 2015/2016 financial year are:

Provision of water	-	R22.696 million
Roads and storm water	-	R3.511 million
Waste Water Treatment	-	R1.930 million
Sports fields	-	R1.167 million
High Mast light Rietbron	-	R175 thousand
LED Projects	-	R389 thousand
Upgrade of IT network	-	R789 thousand
Replacement of old water meters	-	R1.593 million
Vehicles (lease)	-	R792 thousand

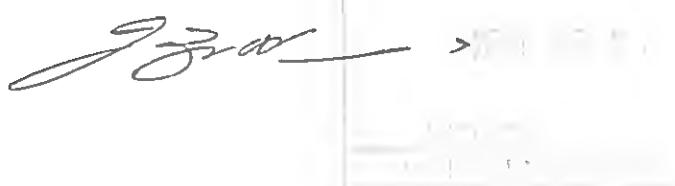
OPERATING BUDGET

The increase in the operating budget amounts to R2.809 mil for the 2015/2016 financial year and represents an increase of 3.7% over the 2014/2015 adjustment budget. Increase in budget can be ascribed to the following:

- Increase in salary expenditure due to the 6.2% across the board increase. The agreement with organized labour is coming to end at 30 June 2015. The parties are currently in negotiation with regards to salary increases. This represents an increase of R2.6 Million over the amount budgeted for 2014/2015.
- An increase of 3.8% over adjustment budget for 2014/15 in maintenance expenditure is budgeted
- An increase of 14.24% in the purchase price of electricity from Eskom.

A summary of the operating budget is attached herewith and includes all operating expenditure necessary for operating the municipality for the 2015/2016 financial year.

The operating budget for the 2016/2017 and 2017/2018 financial years are based on a growth of 5.5% and 5.3% per annum respectively. Where other factors impacting on the budget are known, it has been calculated as such and is included in the budget figures.

A handwritten signature in black ink is written over a rectangular official stamp. The stamp contains some text and a logo, but it is mostly obscured by the signature and is too faded to read clearly.

EXPENDITURE

The operating expenditure budget for 2015/2016 is R78.032 Million which represents an increase of 3.7% over the adjustment budget for the 2014/2015 financial year.

Salary and related expenditure, excluding remuneration of public office bearers, amounts to R24.696 million or 31.65% of the total expenditure.

An increase of 3.8% in maintenance expenditure is budgeted as an effort to try and increase the levels of repairs and maintenance. The acceptable norm is 6% of total expenditure.

REVENUE

The budgeted revenue (excluding capital grant revenue) for the 2015/2016 financial year amounts to R58.775 million whilst a deficit of R19.257 mil is budgeted for the 2015/2016 financial year, not considering capital grants to be received.

The revenue budget is compiled taking into account a 100% collection rate on debtors, if for any reason this rate is not attained, expenditure would need to be cut back in order to ensure that the municipality does not operate in a deficit.

The 100% collection rate is based on the following considerations:

- Write off of all debt older than 90 days, except government debt, debt of businesses and debt owed by staff and utilization of the current available provision for bad debt to cover this write off
- The continuation of the service level agreement with the current company appointed for debt collection
- The continuation of legal action against default rate payers
- Improved credit control procedures currently in place
- The utilization of the MFIP programme to implement revenue enhancement mechanisms in the municipality
- The implementation of improved flow control water meters in Eskom serviced areas.
- An improved strategy and campaign for indigent registration especially in the Eskom serviced areas.

The municipality should also consider alternative income sources e.g.

- Selling of land not utilized or earmarked for future development
- Selling of redundant assets
- Consideration should be given to the possibility of generating tourism income from the farm Wanhoop once the municipality has obtained this farm – the process of expropriation is already underway



PROVISION FOR IRRECOVERABLE DEBT

No provision is made of irrecoverable debts in the 2015/2016 budget. Please refer to above explanations under Revenue.

REVENUE PER SOURCE

An analysis of the revenue per source for the 2015/2016 financial year is reflected in the attached budget schedules and the main sources are summarized in brief as follows:

Sale of Electricity	R12.637 million
Assessment Rates	R4.893 million
Sale of Water	R4.255 million
Sewer fees	R2.770 million
Refuse fees	R3.183 million
Grants and Subsidies	R28.054 million

TARRIFS

It is important to ensure the financial sustainability and economic viability of the municipality and these principles were therefore applied in the determination of the tariffs for the 2015/2016 financial year. The aim of the tariff determinations are also to ensure that all services can be run independently as a going concern.

In terms of a National treasury guideline, municipalities are eluded to the fact that tariffs should be cost reflective and it should be noted that this principle would need to be applied in this and future budgets. Current tariffs are not cost reflective and serious consideration would need to be given to substantial tariff increases in the subsequent financial years.

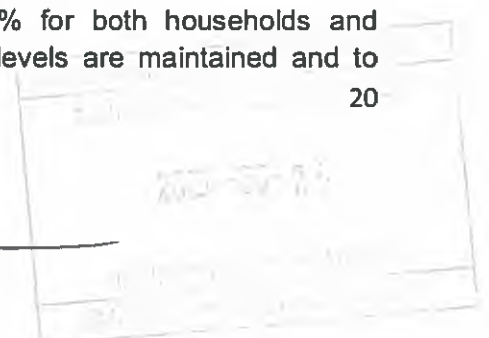
ASSESSMENT RATES

In order to enable the municipality to fulfill its constitutional mandate with regards to the rendering of municipal services and the management of its municipal area, an increase of 10% in respect of assessment rate tariffs for all categories are proposed.

The rebates on assessment rates are contained in municipal rates policy and are applicable once again to the 2015/2016 financial year to qualifying ratepayers subject to the conditions as determined by Council.

SEWERAGE

It is proposed that the sewerage tariffs be increased by 15% for both households and businesses. This is necessary to ensure that current service levels are maintained and to



prevent infrastructure falling into disrepair. The increase of 15% will also ensure that the tariffs are more cost reflective and will lead to a more sustainable provision of the service.

ELECTRICITY

The Municipality finds itself in the unfortunate position that it has no option but to filter down the proposed Eskom increase to its consumers. The Eskom increase to the municipality amounts to 14.24%. It should be noted that due to much needed infrastructure cost and maintenance cost the municipality unfortunately has to increase prices with 15%.

50 units of free basic electricity are provided only to indigent consumers in the 2015/2016 financial year.

Maintenance expenditure in respect of the electricity amounts to R470 492 for the 2015/2016 financial year, representing 3.13% of annual electricity sales. The guideline from NERSA is 6% of annual electricity sales. NERSA has requested reasons for not adhering to the requirement. The municipality is unable to comply with this requirement as the electricity function is currently running at a loss to the municipality

The electricity infrastructure needs to be upgraded as the municipality is constantly using in excess of the maximum demand as determined by Eskom and paying penalties to Eskom due to this. Unfortunately the municipality does not have sufficient funds to do this and Eskom is not willing to upgrade their infrastructure on their cost.

The municipality is monitoring electricity losses on a monthly basis and electricity losses is currently only at 9.9% (norm is 10%).

Currently a huge risk factor to the municipality is the announcement of Eskom that they will apply for an additional 10% increase in tariffs. Should this be approved the municipality will have no choice but to filter this through to our consumers and increase electricity tariffs with an additional 10%.

WATER

In terms of National treasury guidelines the water tariffs must be cost reflective and the provision of potable water should carry the highest priority.

The Steytlerville bulk water project will come to completion during this financial year. The impact that this new infrastructure will have on future maintenance cost will have to be considered. The purpose of the project was to supply 15 120 KL per month of potable water to a population of 6 704 people in approximately 1 676 households. In implementing this project the municipality is implementing one of the key priorities of national government – providing potable water to all.

The municipality is trying to adhere to National Treasury's guidelines in ensuring that tariffs are cost reflective. Unfortunately this necessarily goes hand in hand with an above norm increase



in tariffs until such time that the bench mark has been reached. In order to comply with this instruction, the water tariffs applicable to the 2015/2016 financial year is said to increase by 15%.

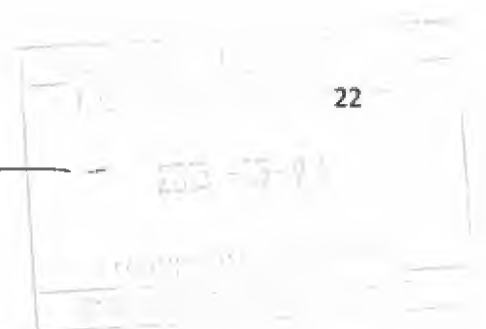
The tariff increase is necessary to ensure the economic viability and sustainability of the water service and to secure the quality of water provision to all communities.

Management has already started with identifying cost components relating to the provision for water and in the 2015/16 these cost have been allocated to the water function. In doing so it was a clear indication that the Baviaans municipality's water tariff is still not cost reflective. The municipality will with the assistance of the Municipal Finance Improvement Project (MFIP) revisit tariffs and with the now identifiable cost use a tariff model to determine what the price per kilolitre should be.

DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT

Baviaans Municipality is a Water Service Authority as well as a Water service Provider. Baviaans Local Municipality manages the provision of drinking water and waste services.

- Blue drop rating: score 52.6% (2010)
Green drop rating: score 13.8% (2011/12)
- Water Safety Plan status: Water Safety Plan currently in use; updated and approved by Council July 2014
- Challenges: Management of drinking water
 - Operational Monitoring Plan (Raw and treated)
 - Introduce sampling protocol (many different sources)
 - Groundwater drawdown and water abstraction from boreholes
 - Insufficient maintenance (lack of funds / budget)
- Challenges: Management of waste water
 - Operational monitoring of inflow and final discharge effluent
 - Sampling and testing (monitoring) of waste water treatment work's final effluent for compliance
 - Registration of waste water treatment work and process controllers
 - Steps taken for training of process controllers to obtain Department of Water and Sanitation registration
 - Prioritise existing funds (MIG, ACIP, RBIG) to focus mainly on water source development, water and waste water quality management and introducing and developing Operation and Maintenance manual for all treatment plants



REFUSE REMOVAL

It is proposed that the refuse tariff increase by 15% for the 2015/2016 financial year. The municipality must in terms of the requirements of GRAP contribute to a provision for the rehabilitation of refuse sites, this contribution has now been included in the budget for 2015/2016. The municipality's landfill sites are not legal and do not have the required licenses. The municipality is in the process of legalizing the sites, but this can only be done through grant funding over the next 3 years. The future maintenance and compliance cost of the land fill sites needs to be considered in arriving at a sustainable tariff.

INDIGENT SUBSIDY

The municipality will once again in the 2015/2016 financial year strive towards sufficient subsidization of indigent households. Provision is made as follows in the operating budget for the subsidizing of the indigent:

Electricity	50 Units
Water	6 Kiloliter
Sewerage	Full subsidy of the single household tariff
Refuse removal	Full subsidy of the single household tariff
Assessment rates	100% Subsidy

Provision is made on the budget to subsidize households at a total cost of R7.328 million for the 2015/2016 financial year.

Provision is also made for the repair of water leakages at indigent households in the amount of R60 000 for the 2015/2016 financial year.

FINANCIAL VIABILITY AND SUSTAINABILITY

The Municipality must ensure the financial sustainability of its operations and ensure that it operates as a going concern. The budget currently does not support this principle and a serious effort would be necessary to ensure the reaching of these goals.

The budget for 2015/16 as well as the outer 2 years is unfunded. The municipality is currently not able to table a funded budget mainly due to the following:

- The municipality has creditors outstanding relating to the previous financial year (2014/15)
- Currently the municipality is in a financial position where its current liabilities exceed its current assets, which means that it has very poor liquidity. Current liabilities exceed current assets with R22 million as at 30 June 2014. This could have a significant impact on its ability to timeously service its creditors when they become due and payable.
- The municipality is in the situation where income generation is hampered by the large indigent population it supports in terms of service delivery. This is a cause for concern



with regards to the future sustainability of the municipality and may impact on service delivery.

- The municipality needs a cash injection of at least R22 million to ensure a possibility of future funded budgets.

SDBIP (SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN)

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A top level service delivery and budget implementation plan is included in the budget documentation. The SDBIP is indicative of service delivery targets for the 2015/2016 financial year. Emphasis is placed on the sustaining of current services and further enhancement of service delivery to all communities.

POLICY CHANGES

Management has conducted the required annual review of all budget related policies. The following policies have been reviewed without any changes:

- Tariff policy
- Asset management policy
- Virement policy
- Loans policy

The following policies have been reviewed with changes:

- Rates policy – to include adjustments required by Municipal Property Rates Amendment Act which will come into effect on 1 July 2015
- Supply chain management policy – to include the provision for "proudly South African campaign"
- Credit control and debt management policy – to implement a minimum amount outstanding before disconnection of services; update budget related charges; update deposits to be paid
- Indigent Policy – to include provision of subsidies for people earning just above the threshold of 2 x government grant. The provision is at rate of 50% of other services, 50 units electricity and 6 kl of water. This is subjected to budget provision
- Banking and investment policy – changes to include arrangements for cash deposits for remote areas without banking facilities.


J.Z.A VUMAZONKE

MUNICIPAL MANAGER

CHAPTER 4

ANNUAL BUDGET TABLES

Operating budget (Schedules A1, A2, A3 &A4)

The operating revenue budget of Baviaans Municipality amounts to R58.775 Million for 2015/2016 financial year. This represents an increase of R4.313 million (7.9%). The increase is mainly a result of:

- increased tariffs
- Increase in equitable share and other grants

To ensure a credible budget Baviaans Municipality had to increase tariffs in general by 15% except rates. Consideration was given to the fact that Baviaans Municipality has been increasing tariffs marginally for a number of years in the past which resulted in tariffs not being cost reflective. A total review of the tariff structure has started during 2014/15 and will continue in 2015/16 with the assistance of National Treasury through the MFIP programme. The increase of 15% in all tariffs will lead Baviaans municipality in having a more sustainable budget and ensuring that we will be able to render all services.

NERSA approved a 12.2% tariff increase for municipalities, but the municipality applied for a 15% increase. The municipality is awaiting the outcome thereof.

Please refer to budget assumptions for more detail. (Chapter 9)

Baviaans Municipality's budgeted expenditure for the 2015/2016 MTREF amounts to R78.032 million. This represents an increase of R2.089 million (3.7%)

This increase is mainly a result of increase in:

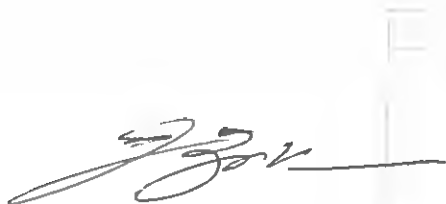
- Salaries
- Increase in bulk purchases

A 6.2% across the board general salary increase is budgeted for. Salary negotiations with organized labour are still in progress.

Bulk purchases increased by R1.320 million which is a result of the increase in bulk electricity which amounted to 14.24%.

Currently a huge risk factor to the municipality is the announcement of Eskom that they will apply for an additional 10% increase in tariffs. Should this be approved the municipality will have no choice but to filter this through to our consumers and increase electricity tariffs with an additional 10%.

It is worth mentioning that currently there is no allocation for EPWP grant beyond the 2015/16 financial year. The municipality will receive R1 018 000 EPWP grant for 2015/16.



EC107 Baviaans - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	1,918	3,082	3,429	4,377	4,377	4,377	4,377	4,814	5,296	5,825
Service charges	13,244	15,733	17,481	20,000	19,939	19,939	19,939	22,930	25,223	27,746
Investment revenue	102	112	121	88	110	110	110	121	133	146
Transfers recognised - operational	18,804	26,570	23,181	25,819	27,519	27,519	27,519	28,054	27,647	27,973
Other own revenue	5,118	1,699	2,403	2,161	2,517	2,517	2,517	2,856	2,921	3,201
Total Revenue (excluding capital transfers and contributions)	39,186	47,197	46,615	52,444	54,462	54,462	54,462	58,775	61,220	64,891
Employee costs	18,318	18,550	20,243	22,200	22,090	22,090	22,090	24,696	26,128	27,566
Remuneration of councillors	1,383	1,507	1,669	1,755	1,768	1,768	1,768	1,859	1,961	2,065
Depreciation & asset impairment	14,842	15,516	16,875	15,600	16,000	16,000	16,000	16,000	16,030	16,080
Finance charges	763	1,084	1,091	1,129	1,129	1,129	1,129	1,305	1,377	1,450
Materials and bulk purchases	6,658	7,942	8,475	10,153	9,300	9,300	9,300	10,620	11,204	11,798
Transfers and grants	3,572	5,629	5,386	5,285	6,696	6,696	6,696	7,328	8,116	8,862
Other expenditure	22,915	16,175	18,501	15,573	18,240	18,240	18,240	16,225	15,727	16,536
Total Expenditure	68,452	66,404	72,340	71,695	75,223	75,223	75,223	78,032	80,542	84,357
Surplus/(Deficit)	(29,266)	(19,207)	(25,726)	(19,251)	(20,762)	(20,762)	(20,762)	(19,257)	(19,323)	(19,466)
Transfers recognised - capital	15,886	23,518	38,247	42,540	44,798	44,798	44,798	34,051	8,585	8,823
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(13,380)	4,311	12,521	23,289	24,036	24,036	24,036	14,793	(10,738)	(10,643)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(13,380)	4,311	12,521	23,289	24,036	24,036	24,036	14,793	(10,738)	(10,643)
Capital expenditure & funds sources										
Capital expenditure	14,988	22,972	35,815	40,687	41,850	41,850	41,850	31,450	7,531	7,739
Transfers recognised - capital	14,723	21,889	35,390	38,818	39,463	39,463	39,463	30,658	7,531	7,739
Public contributions & donations	-	63	-	-	-	-	-	-	-	-
Borrowing	-	733	310	1,720	2,108	2,108	2,108	792	-	-
Internally generated funds	265	286	115	148	278	278	278	-	-	-
Total sources of capital funds	14,988	22,972	35,815	40,687	41,850	41,850	41,850	31,450	7,531	7,739
Financial position										
Total current assets	1,216	3,565	4,634	5,782	5,417	5,417	5,417	2,752	2,928	3,032
Total non current assets	216,881	224,455	243,197	265,914	269,098	269,098	269,098	284,548	276,049	267,708
Total current liabilities	16,712	20,905	26,644	11,030	26,479	26,479	26,479	24,229	26,485	28,927
Total non current liabilities	4,077	4,960	6,511	6,878	9,324	9,324	9,324	9,567	9,725	9,689
Community wealth/Equity	197,308	202,154	214,676	253,788	238,712	238,712	238,712	253,505	242,767	232,124
Cash flows										
Net cash from (used) operating	15,951	22,973	30,838	40,799	42,249	42,249	42,249	34,465	9,067	9,265
Net cash from (used) investing	(14,988)	(22,965)	(35,540)	(40,687)	(41,810)	(41,810)	(41,810)	(31,450)	(7,531)	(7,739)
Net cash from (used) financing	(530)	174	4,874	520	242	242	242	(3,493)	(1,196)	(1,196)
Cash/cash equivalents at the year end	117	299	472	932	1,154	1,154	1,154	675	1,016	1,345
Cash backing/surplus reconciliation										
Cash and investments available	117	299	472	932	1,154	1,154	1,154	675	698	685
Application of cash and investments	14,422	16,854	17,274	4,052	17,731	17,731	17,731	20,499	22,565	24,649
Balance - surplus (shortfall)	(14,305)	(16,554)	(16,802)	(3,121)	(16,577)	(16,577)	(16,577)	(19,823)	(21,867)	(23,964)
Asset management										
Asset register summary (WOV)	216,881	224,345	243,188	265,914	269,098	269,098	284,548	284,548	276,049	267,708
Depreciation & asset impairment	14,842	15,516	16,875	15,600	16,000	16,000	16,000	16,000	16,030	16,080
Renewal of Existing Assets	-	-	-	7,816	7,828	7,828	7,828	9,212	7,134	7,332
Repairs and Maintenance	5,322	3,083	1,953	1,199	2,548	2,548	2,647	2,647	1,532	1,603
Free services										
Cost of Free Basic Services provided	3,137	4,967	4,792	4,664	5,801	5,801	6,343	6,343	7,033	7,671
Revenue cost of free services provided	10,382	12,652	14,139	764	764	764	841	841	925	1,017
Households below minimum service level										
Water	0	0	0	0	0	0	0	0	0	0
Sanitation/sewerage	1	0	0	0	0	0	0	0	0	0
Energy	1	1	1	1	1	1	1	1	1	1
Refuse	2	1	1	1	1	1	1	1	1	1

EC107 Baviaans - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	†	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Governance and administration		22,159	16,398	13,637	14,415	16,490	16,490	16,403	17,183	18,086
Executive and council		—	732	1,348	1,403	1,403	1,403	1,368	1,430	1,493
Budget and treasury office		21,841	13,415	12,146	12,907	14,843	14,843	14,772	15,470	16,287
Corporate services		318	2,251	143	105	244	244	263	283	306
Community and public safety		857	2,396	824	14,728	6,461	6,461	6,184	5,844	5,906
Community and social services		607	1,147	574	3,588	3,591	3,591	4,604	4,238	4,263
Sport and recreation		—	—	—	1,485	2,485	2,485	1,331	1,356	1,393
Public safety		250	250	250	250	250	250	250	250	250
Housing		—	999	—	9,405	135	135	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		317	11,375	7,878	7,097	8,291	8,291	8,004	4,775	2,981
Planning and development		—	—	—	517	3	3	648	467	482
Road transport		317	11,375	7,878	6,580	8,288	8,288	7,356	4,307	2,499
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		31,415	40,457	62,456	58,289	67,589	67,589	62,110	41,932	46,663
Electricity		8,106	12,345	14,093	14,459	14,526	14,526	15,011	16,453	17,851
Water		6,819	17,813	38,249	29,985	41,402	41,402	33,704	11,996	12,487
Waste water management		16,490	8,199	5,237	6,039	6,585	6,585	7,823	6,113	6,421
Waste management		—	2,100	4,877	7,805	5,076	5,076	5,571	7,371	9,903
Other	4	323	89	66	455	429	429	125	71	79
Total Revenue - Standard	2	55,071	70,715	84,862	94,984	99,259	99,259	92,825	69,805	73,714
Expenditure - Standard										
Governance and administration		41,273	39,462	38,747	34,235	37,099	37,099	19,925	20,995	22,137
Executive and council		2,846	3,793	3,373	3,506	3,591	3,591	3,793	3,977	4,163
Budget and treasury office		33,181	31,514	30,554	25,419	27,917	27,917	10,140	10,689	11,299
Corporate services		5,245	4,156	4,820	5,309	5,591	5,591	5,991	6,330	6,675
Community and public safety		3,220	2,831	2,924	3,173	3,100	3,100	4,188	4,410	4,634
Community and social services		3,182	2,459	2,425	2,554	2,624	2,624	3,560	3,747	3,934
Sport and recreation		38	—	—	6	5	5	15	16	17
Public safety		0	372	498	612	470	470	613	648	683
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		8,290	7,421	9,303	9,613	9,307	9,307	17,155	16,416	16,869
Planning and development		—	—	—	992	957	957	1,227	1,121	1,183
Road transport		8,290	7,421	9,303	8,621	8,350	8,350	15,928	15,295	15,687
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		15,521	15,936	20,757	23,541	24,681	24,681	35,839	37,797	39,743
Electricity		8,949	9,979	11,544	12,446	12,097	12,097	15,140	16,042	16,994
Water		4,299	3,203	4,441	4,689	5,591	5,591	10,551	10,954	11,372
Waste water management		2,164	1,507	1,508	2,890	3,224	3,224	5,869	6,204	6,440
Waste management		108	1,247	3,264	3,517	3,769	3,769	4,278	4,598	4,937
Other	4	148	755	609	1,134	1,036	1,036	926	924	974
Total Expenditure - Standard	3	68,452	66,404	72,340	71,695	75,223	75,223	78,032	80,542	84,357
Surplus/(Deficit) for the year		(13,380)	4,311	12,521	23,289	24,036	24,036	14,793	(10,738)	(10,643)

EC107 Baviaans - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		—	732	1,348	1,403	1,403	1,403	1,368	1,430	1,493
Vote 2 - Corporate Services		318	2,251	143	105	244	244	263	283	306
Vote 3 - Budget & Treasury Office		21,841	13,415	12,146	12,907	14,843	14,843	14,772	15,470	16,287
Vote 4 - Technical Services		31,093	52,136	68,912	72,839	74,518	74,518	67,834	44,451	47,200
Vote 5 - Community Services		1,820	2,181	2,312	7,730	8,251	8,251	8,589	8,171	8,428
Vote 6 - [NAME OF VOTE 6]		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	55,071	70,715	84,862	94,984	99,259	99,259	92,825	69,805	73,714
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		2,846	3,793	3,373	3,506	3,591	3,591	3,793	3,977	4,163
Vote 2 - Corporate Services		5,245	4,156	4,820	5,309	5,591	5,591	5,991	6,330	6,675
Vote 3 - Budget & Treasury Office		33,181	31,514	30,554	25,419	27,917	27,917	10,140	10,689	11,299
Vote 4 - Technical Services		20,726	22,916	29,307	31,961	32,543	32,543	50,946	52,225	54,515
Vote 5 - Community Services		3,453	4,026	4,286	5,500	5,581	5,581	7,162	7,322	7,705
Vote 6 - [NAME OF VOTE 6]		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	68,452	66,404	72,340	71,695	75,223	75,223	78,032	80,542	84,357
Surplus/(Deficit) for the year	2	(13,380)	4,311	12,521	23,289	24,036	24,036	14,793	(10,738)	(10,643)



EC107 Baviaans - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	1,918	3 082	3 429	4,377	4,377	4,377	4,377	4,814	5,296	5,825
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	7 761	8 897	9,819	11,091	10,989	10,989	10,989	12,637	13,901	15,291
Service charges - water revenue	2	2 726	2 947	3,382	3,884	3,773	3,773	3,773	4,339	4,773	5,250
Service charges - sanitation revenue	2	2 757	1,758	2 123	2,257	2,409	2,409	2,409	2,770	3,047	3,352
Service charges - refuse revenue	2	-	2,132	2 156	2 768	2,768	2,768	2,768	3,183	3,502	3,852
Service charges - other		-				-	-	-			
Rental of facilities and equipment		59	116	46	43	179	179	179	253	272	294
Interest earned - external investments		102	112	121	88	110	110	110	121	133	146
Interest earned - outstanding debtors		312	368	460	373	482	482	482	530	583	641
Dividends received		-				-	-	-			
Fines		13	4	9	10	2	2	2	2	2	2
Licences and permits		461	-	625	644	756	756	756	832	915	1,007
Agency services		-	648	764	782	687	687	687	756	831	914
Transfers recognised - operational		18,804	26,570	23,181	25,819	27,519	27,519	27,519	28,054	27,647	27,973
Other revenue	2	4,273	556	347	310	311	311	311	484	317	343
Gains on disposal of PPE			7	152		100	100	100			
Total Revenue (excluding capital transfers and contributions)		39,186	47,197	46,815	52,444	54,462	54,462	54,462	58,775	61,220	64,891
Expenditure By Type											
Employee related costs	2	18,318	18,550	20,243	22,200	22,090	22,090	22,090	24,696	26,128	27,566
Remuneration of councillors		1,383	1,507	1,669	1,755	1,768	1,768	1,768	1,859	1,961	2,065
Debt impairment	3	3,790	1,371	1,744	-	1,200	1,200	1,200			
Depreciation & asset impairment	2	14,842	15,516	16,875	15,600	16,000	16,000	16,000	16,000	16,030	16,080
Finance charges		763	1,084	1,091	1,129	1,129	1,129	1,129	1,305	1,377	1,450
Bulk purchases	2	6,658	7,942	8,475	10,153	9,300	9,300	9,300	10,620	11,204	11,798
Other materials	8										
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		3,572	5,629	5,386	5,285	6,696	6,696	6,696	7,328	8,116	8,862
Other expenditure	4, 5	19,125	14,804	16,768	15,573	17,040	17,040	17,040	16,225	15,727	16,536
Loss on disposal of PPE			0	89							
Total Expenditure		68,452	66,404	72,340	71,695	75,223	75,223	75,223	78,032	80,542	84,357
Surplus/(Deficit)											
Transfers recognised - capital		15,886	23,518	38,247	42,540	44,798	44,798	44,798	34,051	8,585	8,823
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(13,380)	4,311	12,521	23,289	24,036	24,036	24,036	14,793	(10,738)	(10,643)
Taxation											
Surplus/(Deficit) after taxation		(13,380)	4,311	12,521	23,289	24,036	24,036	24,036	14,793	(10,738)	(10,643)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(13,380)	4,311	12,521	23,289	24,036	24,036	24,036	14,793	(10,738)	(10,643)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(13,380)	4,311	12,521	23,289	24,036	24,036	24,036	14,793	(10,738)	(10,643)

Capital budget (Schedule A5)

The capital budget of the municipality amounts to R31.450 Million. This indicates a decrease of R10.399 Million (24.84%) which is mainly a result of:

- Decrease in DTI funded projects (R2.327 million)
- Decrease in MIG funded projects (R857 thousand)
- Decrease in RBIG funded projects (R7.213 million)
- Decrease in own funded projects (R278 thousand)
- Decrease in loan funded projects (R1.316 million)
- Increase in MSIG funded projects (R789 thousand)
- Increase in DWA (ACIP) funded projects (R1.593 million)

The main projects that are funded in the capital budget are:

- Streets & Storm water Willowmore – R2 001 250
- Streets & Storm water Steytlerville – R2 001 250
- Waste water treatment works Rietbron – R2 200 000
- Upgrading of Sports fields – R1 330 500
- Steytlerville water Erasmuskloof – R23 808 000
- High mast light Rietbron – R200 000
- LED projects – R443 500
- IT infrastructure upgrade – R900 000
- Lease vehicles – R902 979
- Replacement of old water meters Rietbron – R1 816 000

Amounts shown are total project values for 2015/16 including VAT. The budget is based on a total amount of R31.450 mil excl VAT.

These projects are funded by the Municipal Infrastructure Grant, Regional bulk infrastructure grant and Municipal Systems Improvement Grant, Department of Water Affairs (ACIP) and finance leases.



EC107 Baviaans - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		17	51	313	1,720	2,108	2,108	2,108	792	-	-
Vote 2 - Corporate Services		38	21	-	-	23	23	23	-	-	-
Vote 3 - Budget & Treasury Office		81	59	23	11	109	109	109	789	-	-
Vote 4 - Technical Services		14,675	22,643	35,174	37,220	37,419	37,419	37,419	28,313	5,945	6,110
Vote 5 - Community Services		199	197	305	1,736	2,190	2,190	2,190	1,556	1,585	1,629
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		14,988	22,972	35,815	40,687	41,850	41,850	41,850	31,450	7,531	7,739
Total Capital Expenditure - Vote		14,988	22,972	35,815	40,687	41,850	41,850	41,850	31,450	7,531	7,739
Capital Expenditure - Standard											
Governance and administration		114	132	336	1,731	2,240	2,240	2,240	1,582	-	-
Executive and council		17	51	313	1,720	2,108	2,108	2,108	792	-	-
Budget and treasury office		81	59	23	11	109	109	109	789	-	-
Corporate services		38	21	-	-	23	23	23	-	-	-
Community and public safety		199	197	305	11,141	2,190	2,190	2,190	1,556	1,585	1,629
Community and social services		199	197	305	433	10	10	10	389	396	407
Sport and recreation		-	-	-	1,302	2,180	2,180	2,180	1,167	1,189	1,222
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	9,405	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		5,799	8,582	4,566	2,820	4,266	4,266	4,266	3,511	1,754	-
Planning and development		-	789	-	-	-	-	-	-	-	-
Road transport		5,799	7,792	4,566	2,820	4,266	4,266	4,266	3,511	1,754	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		8,676	14,061	30,608	24,995	33,134	33,134	33,134	24,802	4,191	6,110
Electricity		-	425	353	1,190	1,328	1,328	1,328	175	-	-
Water		6,057	10,619	29,660	20,375	30,425	30,425	30,425	22,696	3,047	3,055
Waste water management		1,130	3,018	326	974	1,319	1,319	1,319	1,930	-	-
Waste management		1,589	0	269	2,456	62	62	62	-	1,144	3,055
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	14,988	22,972	35,815	40,687	41,850	41,850	41,850	31,450	7,531	7,739
Funded by:											
National Government		12,966	17,777	19,036	26,582	37,137	37,137	37,137	29,065	7,531	7,739
Provincial Government		-	4,113	16,354	12,236	2,327	2,327	2,327	1,593	-	-
District Municipality		1,737	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	14,723	21,889	35,390	38,818	39,463	39,463	39,463	30,658	7,531	7,739
Public contributions & donations	5	-	63	-	-	-	-	-	-	-	-
Borrowing	6	-	733	310	1,720	2,108	2,108	2,108	792	-	-
Internally generated funds		265	286	115	148	276	276	276	-	-	-
Total Capital Funding	7	14,988	22,972	35,815	40,687	41,850	41,850	41,850	31,450	7,531	7,739

Budgeted Financial position (Schedule A6)

Current assets are assets that can be converted in cash within 12 months and mainly consist of cash in the bank, investments and debtors.

The budget is based on 100% collection rate based on the following reasons: :

- Write off of all debt older than 90 days, except government debt, debt of businesses and debt owed by staff and utilization of the current available provision for bad debt to cover this write off. The write off to be done before June 2014
- The continuation of the service level agreement with the current company appointed for debt collection
- The continuation of legal action against default rate payers
- Improved credit control procedures currently in place
- The utilization of the MFIP programme to implement revenue enhancement mechanisms in the municipality
- The implementation of improved flow control water meters in Eskom serviced areas.
- An improved strategy and campaign for indigent registration especially in the Eskom serviced areas.

The municipality should also consider alternative income sources e.g.

- Selling of land not utilized or earmarked for future development
- Selling of redundant assets
- Consideration should be given to the possibility of generating tourism income from the farm Wanhoop once the municipality has obtained this farm – the process of expropriation is already underway

For the reasons above it is anticipated that no additional contribution to provision for bad debt will be required.

Non-current Assets are assets that has a lifespan of longer than 12 months and mainly consist of fixed assets e.g. infrastructure and moveable assets.

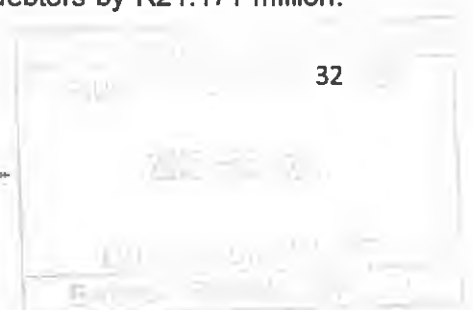
The process of unbundling of assets has been completed and depreciation charges could be calculated on baseline information available from the previous financial year.

Non-current provisions consist of provision for rehabilitation of landfill sites to the value of R1.180 million, post retirement benefits to the value of R2.458 million and long service benefits of R1.923 million

Current provisions consist of provision for bonuses to the value of R646 thousand

It is anticipated that the year will end with a positive bank balance of R675 thousand whilst nett debtors will decrease to R1.360 million

Of concern is Baviaans' liquidity. Trade creditors are more than debtors by R21.171 million. This has also been mentioned in the audit report of 2013/14.



EC107 Baviaans - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		110	292	462	932	1,094	1,094	1,094	675	698	685
Call investment deposits	1	7	7	10	-	60	60	60	-	-	-
Consumer debtors	1	352	767	1 405	3 600	2 878	2 878	2 878	1 360	1 469	1 586
Other debtors		728	2 450	2 747	1 200	1 200	1 200	1 200	708	750	750
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	19	48	9	50	185	185	185	9	11	11
Total current assets		1,216	3,565	4,634	5,782	5,417	5,417	5,417	2,752	2,928	3,032
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		39 784	38 701	38 374	39 581	38 434	38 434	38 434	38 434	38 434	38 434
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	177 038	184 645	204 814	226 333	230 664	230 664	230 664	246 114	237 815	229 274
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		59	0	0	-	-	-	-	0	0	0
Other non-current assets		-	110	9	-	-	-	-	-	-	-
Total non current assets		218,881	224,455	243,197	265,914	269,098	269,098	269,098	284,548	276,049	267 708
TOTAL ASSETS		218,096	228,020	247,831	271,696	274,514	274,514	274,514	287,301	278,977	270,740
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	567	543	5 059	950	3 902	3 902	3 902	660	660	860
Consumer deposits		145	146	150	145	388	388	388	392	395	400
Trade and other payables	4	15 477	19 639	20 864	8 767	21 023	21 023	21 023	22 531	24 745	26 945
Provisions		523	578	570	1 167	1 167	1 167	1 167	646	684	722
Total current liabilities		16,712	20,905	26,644	11 030	26,479	26,479	26,479	24,229	26,485	28,927
Non current liabilities											
Borrowing		762	960	1 317	2 800	3 684	3 684	3 684	4 005	3 863	3 527
Provisions		3 314	4 061	5 194	4 078	5 640	5 640	5 640	5 562	5 862	6 162
Total non current liabilities		4,077	4,960	6,511	6,878	9,324	9,324	9,324	9,567	9,725	9 689
TOTAL LIABILITIES		20,789	25,866	33,155	17,907	35,803	35,803	35,803	33,796	36,210	38,616
NET ASSETS	5	197,308	202,154	214,676	253,788	238,712	238,712	238,712	253,505	242,767	232,124
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		197,308	202,154	214,676	253,788	238,712	238,712	238,712	253,505	242,767	232,124
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interest		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	197,308	202,154	214,676	253,788	238,712	238,712	238,712	253,505	242,767	232,124

Cash Flow (Schedule A7)

It is anticipated that the cash balance will end on a positive R675 thousand at the end of the financial year.

Cash out flows with regards to Capital additions will amount to R31.450 Million, whilst payments to suppliers will amount to R57.055 million.

Payments from debtors for services rendered will amount to R27.745 million. As can be seen from the cash flow, the municipality is heavily reliant on grant funding. Cash from grant funding will amount to R62.104 Million for 2015/16 financial year.

Cash receipts are based on 100% collection rate.



EC107 Bavlans - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		1,592	2,581	2,764	3,501	3,501	3,501	3,501	4,814	5,296	5,825
Service charges		18,223	13,848	15,466	22,568	18,078	18,078	18,078	22,930	25,223	27,746
Other revenue			1,324	1,791					2,326	2,338	2,560
Government - operating	1	18,804	26,570	23,181	25,819	27,149	27,149	27,149	28,054	27,647	27,973
Government - capital	1	15,886	23,518	38,247	42,540	44,798	44,798	44,798	34,051	8,585	8,823
Interest		414	480	580	461	592	592	592	651	716	788
Dividends									-	-	-
Payments											
Suppliers and employees		(38,204)	(44,264)	(50,362)	(52,962)	(50,739)	(50,739)	(50,739)	(57,055)	(59,361)	(62,999)
Finance charges		(763)	(1,084)	(829)	(1,129)	(1,129)	(1,129)	(1,129)	(1,305)	(1,377)	(1,450)
Transfers and Grants	1			-					-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		15,951	22,973	30,838	40,799	42,249	42,249	42,249	34,465	9,057	9,265
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			7	502		100	100	100	-	-	-
Decrease (increase) in non-current debtors				-					-	-	-
Decrease (increase) other non-current receivables				-					-	-	-
Decrease (increase) in non-current investments				-		(60)	(60)	(60)	-	-	-
Payments											
Capital assets		(14,988)	(22,972)	(36,041)	(40,687)	(41,850)	(41,850)	(41,850)	(31,450)	(7,531)	(7,739)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(14,988)	(22,965)	(35,540)	(40,687)	(41,810)	(41,810)	(41,810)	(31,450)	(7,531)	(7,739)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans				-					-	-	-
Borrowing long term refinancing				5,132	1,720	2,113	2,113	2,113	903	-	-
Increase (decrease) in consumer deposits				-		242	242	242	4	4	4
Payments											
Repayment of borrowing		(530)	174	(258)	(1,200)	(2,113)	(2,113)	(2,113)	(4,400)	(1,200)	(1,200)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(530)	174	4,874	520	242	242	242	(3,493)	(1,196)	(1,196)
NET INCREASE/(DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	(316)	117	299	299	472	472	472	1,154	675	1,016
Cash/cash equivalents at the year end:	2	117	299	472	932	1,154	1,154	1,154	675	1,016	1,345

Cash backed reserves/accumulated surplus recon (Table A8 & SA10)

Table A8 indicates that Baviaans will have a shortfall with regards to working capital of R19.823 million.

This is a contributing factor to the indication that the budget is unfunded. It should however be noted that this is a problem that comes from prior years and cannot be addressed within one year. A cash injection of at least R19.823 million is needed to assist Baviaans in getting out of this situation.

Table SA10 is an indicator of whether the budget is funded. A funded budget is a requirement of the MFMA and budget regulations.

Table SA10 reflects that the current budget is not funded. There could be various reasons as to why a budget might reflect as not being funded. One of which could be that the municipality does not have cash backed investments to assist with the shortfall in a particular year.

The reasons for the budget of Baviaans not being funded could be analyzed as follow;

- The calculation for funding refers to the shortfall on working capital. There is currently a shortfall of R19.823 million on working capital due to the fact that debtors are less than trade creditors. This means that should Baviaans be able to liquidate their debtors immediately it will not be enough to pay all the creditors. This raises doubt on the sustainability of Baviaans municipality and whether we will be able to meet our mandatory services.
- The shortfall in working capital is due to the fact that Baviaans continuously have creditors at year end which could not be paid during the year.



EC107 Baviaans - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	117	299	472	932	1 154	1,154	1,154	675	1,016	1,345
Other current investments > 90 days		0	-	(0)	0	(0)	(0)	(0)	(0)	(317)	(661)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		117	299	472	932	1,154	1,154	1,154	675	698	685
Application of cash and investments											
Unspent conditional transfers		251	4,563	600	-	759	759	759	699	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	14,171	12,291	16,674	4,052	16,972	16,972	16,972	19,800	22,565	24,649
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		14,422	16,854	17,274	4,052	17,731	17,731	17,731	20,499	22,565	24,649
Surplus(shortfall)		(14,305)	(16,554)	(16,802)	(3,121)	(16,577)	(16,577)	(16,577)	(19,823)	(21,867)	(23,964)

High Level Outcome of Funding Compliance											
Total Operating Revenue		39,186	47,197	46,615	52,444	54,462	54,462	54,462	58,775	61,220	64,891
Total Operating Expenditure		68,452	66,404	72,340	71,695	75,223	75,223	75,223	78,032	80,542	84,357
Surplus/(Deficit) Budgeted Operating Statement		(29,266)	(19,207)	(25,726)	(19,251)	(20,762)	(20,762)	(20,762)	(19,257)	(19,323)	(19,466)
Surplus/(Deficit) Considering Reserves and Cash Backing		(14,305)	(16,554)	(16,802)	(3,121)	(16,577)	(16,577)	(16,577)	(19,823)	(21,867)	(23,964)
MTREF Funded (1) / Unfunded (0)	15	0	0	0	0	0	0	0	0	0	0
MTREF Funded ✓ / Unfunded ✗	15	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

Asset management (table A9)

Capital expenditure is anticipated to decrease with R10.399 Million in 2015/16 financial year. This indicates a decrease of 24.85%. The decrease in capital acquisition is due to a decrease in DTI funds, decrease in MIG, decrease in RBIG and decrease in own funded projects.

An amount of R2 647 million has been allocated to repairs and maintenance. Repairs and maintenance will be spent according to the following categories of assets:

- | | | |
|-------------------------------------|---|----------------|
| • Infrastructure – Road & transport | - | R175 thousand |
| • Infrastructure – Electricity | - | R311 thousand |
| • Infrastructure – Water | - | R205 thousand |
| • Infrastructure – Sanitation | - | R95 thousand |
| • Infrastructure – Other | - | RNil |
| • Community & other assets | - | R37 thousand |
| • Other assets | - | R1823 thousand |

Depreciation is anticipated to be R16 000 000 for 2015/16 financial year.

The capital expenditure is divided as follows:

Renewal of existing assets as % to total capital – 29.2%

Renewal of existing assets as % of depreciation – 57.6%



EC107 Bavians - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	14,988	22,972	35,815	32,871	34,021	34,021	22,238	396	407
Infrastructure - Road transport		5,799	7,792	4,480	-	-	-	-	-	-
Infrastructure - Electricity		-	425	353	789	1,328	1,328	175	-	-
Infrastructure - Water		6,057	10,619	29,660	20,375	30,425	30,425	20,884	-	-
Infrastructure - Sanitation		1,130	3,018	326	-	-	-	-	-	-
Infrastructure - Other		4	-	269	9,405	-	-	-	-	-
Infrastructure		12,990	21,854	35,088	30,569	31,753	31,753	21,060	-	-
Community		-	-	245	-	-	-	389	396	407
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	50	-	-	-	-	-	-	-
Other assets	6	1,999	1,068	482	2,302	2,269	2,269	789	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	7,816	7,828	7,828	9,212	7,134	7,332
Infrastructure - Road transport		-	-	-	2,820	4,268	4,268	3,511	1,754	-
Infrastructure - Electricity		-	-	-	263	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	1,812	3,047	3,055
Infrastructure - Sanitation		-	-	-	974	1,319	1,319	1,930	-	-
Infrastructure - Other		-	-	-	2,456	62	62	-	1,144	3,055
Infrastructure		-	-	-	6,513	5,649	5,649	7,253	5,945	6,110
Community		-	-	-	1,302	2,180	2,180	1,167	1,189	1,222
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	792	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4									
Infrastructure - Road transport		5,799	7,792	4,480	2,820	4,268	4,268	3,511	1,754	-
Infrastructure - Electricity		-	425	353	1,053	1,328	1,328	175	-	-
Infrastructure - Water		6,057	10,619	29,660	20,375	30,425	30,425	22,696	3,047	3,055
Infrastructure - Sanitation		1,130	3,018	326	974	1,319	1,319	1,930	-	-
Infrastructure - Other		4	-	269	11,861	62	62	-	1,144	3,055
Infrastructure		12,990	21,854	35,088	37,082	37,401	37,401	28,313	5,945	6,110
Community		-	-	245	1,302	2,180	2,180	1,556	1,585	1,629
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	50	-	-	-	-	-	-	-
Other assets		1,999	1,068	482	2,302	2,269	2,269	1,582	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	14,988	22,972	35,815	40,687	41,850	41,850	31,450	7,531	7,739

EC107 BAVIAANS TABLE A9 CONTINUES

ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		70,969	81,837	79,983	79,316	77,484	77,484	73,085	66,930	59,020
Infrastructure - Electricity		20,849	17,328	16,912	17,611	17,470	17,470	16,875	16,075	15,225
Infrastructure - Water		35,147	46,436	71,236	84,748	96,923	96,923	115,147	113,722	112,305
Infrastructure - Sanitation		24,082	31,410	29,817	30,219	29,496	29,496	29,358	27,291	25,223
Infrastructure - Other			2,453	2,406	4,639	676	676	473	1,413	4,265
Infrastructure		151,047	179,466	200,355	216,533	222,048	222,048	234,938	225,430	216,037
Community		1,360	1,080	1,301	3,263	3,236	3,236	4,397	5,588	6,822
Heritage assets						-	-			
Investment properties		39,784	39,701	38,374	39,581	38,434	38,434	38,434	38,434	38,434
Other assets		24,631	4,100	3,159	6,537	5,380	5,380	6,779	6,597	6,415
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		59	0	0	-	-	-	0	0	0
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	216,881	224,345	243,188	265,914	269,098	269,098	284,548	276,049	267,708
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		14,842	15,516	16,875	15,600	16,000	16,000	16,000	16,030	16,080
<u>Repairs and Maintenance by Asset Class</u>	3	5,322	3,083	1,953	1,199	2,548	2,548	2,647	1,532	1,603
Infrastructure - Road transport		157	35	74	165	165	165	175	184	194
Infrastructure - Electricity		626	216	123	178	208	208	311	325	340
Infrastructure - Water		1,675	119	66	96	155	155	205	216	228
Infrastructure - Sanitation		21	20	-	90	50	50	95	100	106
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		2,479	391	263	529	578	578	786	826	867
Community		105	83	15	35	35	35	37	39	42
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	2,738	2,610	1,675	635	1,934	1,934	1,823	666	694
TOTAL EXPENDITURE OTHER ITEMS		20,164	18,599	18,828	16,799	18,548	18,548	18,647	17,562	17,683
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	19.2%	18.7%	18.7%	29.3%	94.7%	94.7%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	50.1%	48.9%	48.9%	57.6%	44.5%	45.6%
<i>R&M as a % of PPE</i>		3.0%	1.7%	1.0%	0.5%	1.1%	1.1%	1.1%	0.6%	0.7%
<i>Renewal and R&M as a % of PPE</i>		2.0%	1.0%	1.0%	3.0%	4.0%	4.0%	4.0%	3.0%	3.0%

Basic Service delivery measurements (Table A10)

This table gives an indication of the number of households in Baviana Municipality and to what extent services are delivered to these households.

Baviana currently has 4 610 households to which services are provided

Indigent households will receive the following subsidized services:

- Water - 6 kl
- Electricity - 50 units
- Sanitation - 100% subsidy
- Refuse - 100% subsidy
- Property rates 100% subsidy for owners



EC107 Baviaans - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets										
Water:										
Piped water inside dwelling	1	1,488	3,553	3,503	3,553	3,553	3,553	3,554	3,604	3,654
Piped water inside yard (but not in dwelling)		1,852	1,003	1,053	1,003	1,003	1,003	1,052	1,002	952
Using public tap (at least min. service level)	2	228	53	53	53	53	53	3	3	3
Other water supply (at least min. service level)	4	76	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total		3,644	4,609	4,609	4,609	4,609	4,609	4,609	4,609	4,609
Using public tap (< min. service level)	3	111	1	1	1	1	1	1	1	1
Other water supply (< min. service level)	4	127	—	—	—	—	—	—	—	—
No water supply		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		238	1	1	1	1	1	1	1	1
Total number of households	5	3,882	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		1,215	3,470	3,363	3,470	3,470	3,470	3,470	3,470	3,470
Flush toilet (with septic tank)		795	475	484	475	475	475	475	475	475
Chemical toilet		20	3	3	3	3	3	3	3	3
Pit toilet (ventilated)		218	116	116	116	116	116	116	116	116
Other toilet provisions (> min. service level)		443	166	166	166	166	166	166	166	166
Minimum Service Level and Above sub-total		2,691	4,230	4,132	4,230	4,230	4,230	4,230	4,230	4,230
Bucket toilet		754	167	167	167	167	167	167	167	167
Other toilet provisions (< min. service level)		—	98	98	—	—	—	98	98	98
No toilet provisions		437	213	213	213	213	213	115	115	115
Below Minimum Service Level sub-total		1,191	380	478	380	380	380	380	380	380
Total number of households	5	3,882	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610
Energy:										
Electricity (at least min. service level)		2,703	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364
Electricity - prepaid (min. service level)		—	2,746	2,746	2,746	2,746	2,746	2,746	2,746	2,746
Minimum Service Level and Above sub-total		2,703	4,110	4,110	4,110	4,110	4,110	4,110	4,110	4,110
Electricity (< min. service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		1,179	500	500	500	500	500	500	500	500
Below Minimum Service Level sub-total		1,179	500	500	500	500	500	500	500	500
Total number of households	5	3,882	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610
Refuse:										
Removed at least once a week		1,793	3,566	3,566	3,566	3,566	3,566	3,566	3,566	3,566
Minimum Service Level and Above sub-total		1,793	3,566	3,566	3,566	3,566	3,566	3,566	3,566	3,566
Removed less frequently than once a week		570	19	19	19	19	19	19	19	19
Using communal refuse dump		5	46	46	46	46	46	46	46	46
Using own refuse dump		1,477	879	879	879	879	879	879	879	879
Other rubbish disposal		—	—	—	—	—	—	—	—	—
No rubbish disposal		37	100	100	100	100	100	100	100	100
Below Minimum Service Level sub-total		2,089	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044
Total number of households	5	3,882	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610
Households receiving Free Basic Service										
Water (6 kilolitres per household per month)	7	2,800	2,523	2,469	3,000	3,000	2,350	2,500	2,600	2,700
Sanitation (free minimum level service)		2,800	2,523	2,469	3,000	3,000	2,350	2,500	2,600	2,700
Electricity/other energy (50kwh per household per month)		2,800	2,523	2,469	3,000	3,000	2,350	2,500	2,600	2,700
Refuse (removed at least once a week)		2,800	2,523	2,469	3,000	3,000	2,350	2,500	2,600	2,700
Cost of Free Basic Services provided (R'000)										
Water (6 kilolitres per household per month)	8	488	772	999	1,009	1,175	1,175	1,352	1,487	1,636
Sanitation (free sanitation service)		712	1,128	1,074	1,123	1,407	1,407	1,450	1,650	1,750
Electricity/other energy (50kwh per household per month)		1,046	1,657	1,350	1,100	1,505	1,505	1,655	1,821	2,003
Refuse (removed once a week)		890	1,410	1,369	1,432	1,715	1,715	1,886	2,075	2,283
Total cost of FBS provided (minimum social package)		3,137	4,987	4,792	4,664	5,801	5,801	6,343	7,033	7,671
Highest level of free service provided										
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (Rand per household per month)		28	40	44	51	51	51	58	64	70
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		36	50	55	63	63	63	73	80	88
Revenue cost of free services provided (R'000)										
Property rates (R15 000 threshold rebate)	9	147	222	222	72	72	72	79	87	95
Property rates (other exemptions, reductions and rebates)		10,236	12,430	13,917	693	693	693	762	838	922
Water		—	—	—	—	—	—	—	—	—
Sanitation		—	—	—	—	—	—	—	—	—
Electricity/other energy		—	—	—	—	—	—	—	—	—
Refuse		—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of free services provided (total social package)	6	10,382	12,652	14,139	764	764	764	841	925	1,017

CHAPTER 5

OVERVIEW OF THE ANNUAL BUDGET PROCESS

The entire budget process is prescribed by the Municipal Finance Management Act.

Section 21(1) (b) of the MFMA requires the mayor to table not later than 10 months before the start of the budget year a time schedule outlining the key deadlines and processes for the preparation, tabling and approval of the Annual Budget, the review of the IDP and budget related policies and any consultation process which would be part of the process.

The time schedule was tabled to the Council on 28 August 2014.

The consultation process involves presenting and eliciting comments from the public by Ward and by placing an advert in the local press requesting budget input.

The following stakeholders are identified:

- 1 community
- 2 senior management
- 3 the work force
- 4 trade unions
- 5 rate payers association/agricultural forums
- 6 general public and interested parties
- 7 district municipality
- 8 national and provincial sector departments

Prescribed forms have been developed for both operating and capital inputs.

A Draft Budget is prepared, based on budget assumption where after the eagerly awaited Division of Revenue is received during February and published the grant and subsidy allocation in terms of which budget parameters are set or adjusted. Information from other sources, District Councils and Provincial Authorities are confirmed. Any surplus capacity is consumed.

During this time the IDP process has started with steering committee meetings as well as public consultation to primary confirm and re-affirm priorities as well as to disclose any new development. Critical to this process is capital project funding in terms of MIG. The IDP and Budget, as policy documents are reflected against each for purpose of IDP preparation and budget finalization.

The draft budget is then tabled to Council and then council authorizes that the budget is made public for comment. Once this period closes the comments received are once again considered and adjustments are brought about to produce a final budget for adoption by Council.



Political oversight of the process

The schedule of key deadlines was submitted to management meeting to monitor the progress of the process by officials against the schedule tabled by the Mayor. The Mayor was regularly informed on the progress.

Consultations & advertisements

Advertisements will be placed in the local newspapers circulating in the area of jurisdiction and district informing the community of the approval of the budget.

A formal process of consultation has been conducted after the draft budget & IDP has been approved by Council.

This has been done by the following methods:

- The draft budget was made public by making it available at Baviaans Municipality's offices and on the website
- Notices were published in local newspapers in the area inviting members of the public to submit representations on the budget.
- Community meetings were held in all wards

Stakeholders

The following stakeholders have been consulted:

- National Treasury
- Provincial Treasury
- Provincial sector departments
- District municipality
- Providers of bulk resources for water & electricity
- Community



CHAPTER 6

ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

AMENDMENT AND ADJUSTMENT TO THE 2014/2015 IDP

The review process focussed on:

- ❖ Improving the **strategic nature** of the document, thereby ensuring effective use of available data, careful consideration of available resources, as well as exploring locally appropriate solutions to complex development issues.
- ❖ Increasing the usefulness of the document during **implementation** and monitoring.

The process was influenced by:

- ❖ Project progress information as provided by Heads of Departments
- ❖ An extensive data search to update the analysis chapter.
- ❖ Inputs from community based planning initiatives

The alignment of the IDP with the budget is illustrated in schedules SA4, SA5, SA6. The schedules are attached.

These allocations are to link up with the Service Delivery and Budget Implementation plan. A Service Delivery and Budget Implementation Plan has been developed and is tabled with the budget to Council. The final SDBIP needs to be approved within 28 days after the adoption of the budget. KPA's and KPI's have been developed and strategic alignment between IDP, Budget and SDBIP is ascertain.



EC107 Baviaans - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
Building the institution and employee capacity				22,159	15,666	12,289	13,012	15,087	15,087	15,035	18,753	16,593	
Enhance community services				1,820	2,913	3,660	9,133	9,654	9,654	9,323	9,149	9,457	
Economic development										634	452	464	
Provision of basic infrastructure				31,093	52,136	68,912	72,839	74,518	74,518	67,834	44,451	47,200	
please refer to IDP document for detailed objectives of each development priority													
Allocations to other priorities													
Total Revenue (excluding capital transfers and contributions)				1	55,071	70,715	84,862	94,964	99,259	99,259	92,825	69,805	73,714

EC107 Baviaans - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

CCOF Deviations - Supporting Table SWS Reconciliation of R Strategic Objectives and Budget (Operating Expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
Building the institution and employee capacity			1	39,736	37,002	36,426	31,916	34,658	34,658	17,383	18,341	19,368	
Enhance community services			2	4,990	6,486	6,607	6,416	7,734	7,734	9,203	9,624	10,103	
Economic development			3			-	1,400	289	289	500	352	372	
Provision of basic infrastructure			4	23,726	22,916	29,307	31,961	32,543	32,543	50,946	52,225	54,515	
Allocations to other priorities													
Total Expenditure				1	68,452	66,404	72,340	71,695	75,223	75,223	78,032	80,542	84,357

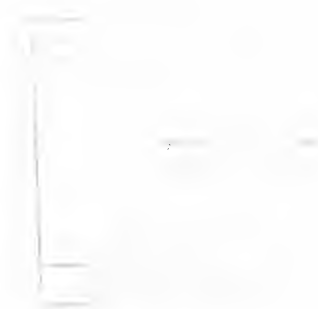
EC107 Baviaans - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

LEADER Development Supporting Rural and Recreation of New Strategic Objectives and Budget (Capital Expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
Building the institution and employee capacity		A		97	82	25	11	132	132	789	-	-	
Enhance community services		B		216	247	617	3,456	4,296	4,298	1,959	1,189	1,222	
Economic development		C				-		-	-	389	396	407	
Provision of basic infrastructure		D		14,675	22,643	35,174	37,220	37,419	37,419	28,313	5,945	6,110	
Allocations to other priorities													
Total Capital Expenditure				1	14,988	22,972	35,815	40,887	41,850	41,850	31,450	7,531	7,739

CHAPTER 7

MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The SDBIP is tabled as separate document together with the budget.

A handwritten signature in black ink, appearing to be 'J. M.' followed by a long horizontal line.

CHAPTER 8

BUDGET RELATED POLICIES

The prioritization of service delivery and the management of council functions is the key to the budget. Baviaans municipality's budget process is guided and governed by legislation regulations and budget related policies.

Baviaans Municipality embarked on a process of reviewing all financial and budget related policies during the budget process for 2015/16 financial year.

These policies need to be enacted into by-laws thereby enabling council to undertake its revenue collection effort to court and further securing income generation.

Tariff Policy

The Municipal Systems Act requires a municipality to have a tariff policy. One of the challenges in setting tariffs is ensuring affordable tariffs whilst maintaining financial stability.

The tariff policy tries to address this issue and creates a foundation for the principles that address social, economic and financial imperatives that the process of tariff setting should take into account.

Changes proposed: No changes proposed

Rates policy

Baviaans Municipality has adopted a rates policy which is line with legislative requirements. The policy became effective 01 July 2009 and was reviewed during 2014/15

The policy provides that properties be rated based on their market value. New valuation rolls have been compiled and the rolls became effective from 1 July 2014.

Changes proposed: Changes proposed to take into consideration new Municipal Property Rates Amendment Act which will be effective from 1 July 2015.

Indigent Policy

Baviaans municipality is committed to ensure that all households have access to its services. Due to the fact that Baviaan Municipality has a high level of unemployment the municipality decided to adopt an indigent policy. This policy will ensure that poor households have at least access to basic services.

Changes proposed: Provision for indigent support for households earning more than 2 x state pension but not more than R3 000 per month. Support based on 50% subsidy on other services incl Rates, 50 units of electricity and 6 Kl of water

Supply Chain Management Policy

Municipalities are required in terms of section 111 of MFMA to have a supply chain management policy. Baviaans Municipality has a policy within the framework of the legislation. The policy adheres to the following principles:



- Procurement system which is fair, equitable, transparent, competitive and cost effective in terms of section 217 of the Constitution
- Best practice within supply chain management
- Uniformity in supply chain management systems between organs of state in all spheres

The policy has been reviewed during the 2014/15 financial year.

Changes proposed: Changes proposed to include "Proudly South African Campaign"

Credit control and debt management policy

The credit control policy of Baviaans Municipality was reviewed during 2014/2015. This policy provides the procedures and mechanisms for credit control and collection of debts. The primary objective is to ensure that all monies due to the municipality are collected efficiently and promptly.

Changes proposed: implement a minimum amount outstanding before disconnection of services; update budget related charges; update deposits to be paid

Banking and investment policy

As custodians of public funds, the Council has an obligation to see to it that cash resources are managed as effectively as possible. Council has a responsibility to invest public funds with great care and is liable to the community in that regard.

The investment policy should be aimed at gaining the highest possible return without undue risk during those periods when funds are not needed. To bring this about, it is essential to have an effective cash flow management program.

Changes proposed: No changes proposed

Asset management policy

The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Fixed Assets) owned or controlled by municipality.

Changes proposed: No changes proposed

Virement policy

No changes proposed

Loans policy

The policy guides the conditions applying to the raising of both short and long term loans by the municipality

No changes proposed

Write off Policy

Aim of policy is to increase turnaround time of write offs and to allow CFO and MM in terms of delegated powers to approve write offs up to pre-determined values and report to council.



CHAPTER 9

BUDGET ASSUMPTIONS

The budget for the 2015/2016 financial year was drawn up with the following assumptions and principles taken into account:

- The budget is prepared in terms of the provisions of the Generally Recognised Accounting Practice framework to comply with the provisions of the MFMA GAMAP/GRAP implementation dates.
- Revenue figures are based on realistic estimates of revenue to be collected.
- Actual revenue collected for the current year and realistic revenue projections were taken into account in determining the revenue for the coming year.
- The principals of economic viability and sustainability is applied in all services and where possible no cross subsidization is done between services.
- National growth parameters were used as far as possible for the determination of outer year budget amounts.
- Increase in Electricity purchases are budgeted at 15% subject to NERSA approval of the application.
- A general salary increase of 6.2 % is used for the determination of the salaries of staff whilst CPI was used for increase in salaries for the Public office bearers
- The Municipality still relies heavily on grants and subsidies for funding of the capital requirements for the 2015/2016 financial year and does not possess the financial capacity to raise capital from own revenue sources.
- Only funded capital projects are included in the capital estimates for the 2015/2016 financial year.
- Both the capital and operating budgets are informed by the IDP process done through a public participation process.



CHAPTER 10

BUDGET FUNDING

FUNDING OF OPERATING EXPENDITURE

Operating expenditure to the amount of R78.032 Million is funded through the following sources:

• Property rates	- R4.814 million
• Revenue raised through tariffs and fees and penalties	- R22.930 million
• Government Grants and Subsidies	- R28.054 million
• Licences and permits	- R832 thousand
• Rental of facilities and equipment	- R253 thousand
• Interest earned	- R651 thousand
• Fines	- R2 thousand
• Agency services	- R756 thousand
• Other revenue	- R484 thousand
Total revenue	- R58.775 million
Revenue	- R58.775 million
Total Expenditure	- R78.032 million
Net Budgeted deficit	- R19.257 million

Operating revenue raised is budgeted bearing in mind a 100% debtors payment percentage, should actual payment rates be lower, a downward adjustment of the expenditure needs to be done through a budget control process.

Outstanding debtors have been handed over to attorneys and debt collection agencies to assist the municipality in collecting outstanding monies. It is because of this process as well as the decision to write off all outstanding debt older than 90 days together with improved revenue collection procedures and measures that management feels confident that a 100% collection rate can be obtained.

FUNDING OF CAPITAL EXPENDITURE

Capital expenditure for the 2015/2016 financial year amounts to R31.450 million and is funded as follows:

• Grants and subsidies received	- R30.658 million
• Finance leases	- R792 thousand



FISCAL SUSTAINABILITY OF THE MUNICIPALITY

The budget is compiled with the assumption of a 100% debtors payment rate, the current debtors payment rate is approximately 90%.

Budget control is exercised in order to ensure that operating expenditure does not exceed actual operating revenue received. The current revenue levels are not sufficient to ensure the sustainable rendering of services and the execution of the constitutional mandate in the short and medium term. The municipality is currently struggling to service all of its current commitments and continue as a going concern.

The credit control policy will be strictly enforced in the 2015/2016 financial year to ensure that all monies due to the municipality is collected in further contribution to the sustainable rendering of services. Incentives are available to consumers/ratepayers in arrears should accounts be settled or arrangements for the settlement of long outstanding debt be concluded.

FINANCIAL CHALLENGES AND CONSTRAINTS

Baviaans Municipality faces the following financial challenges:

- 1) Achieving financial stability in the medium term and long term
- 2) Dependence on grant funding
- 3) Acceptable level of tariff increases – trying to balance financial sustainability and affordability
- 4) Managing cost
- 5) Exploring alternative revenue sources
- 6) Poor/slow indigent registration
- 7) Debt collection in Eskom serviced areas
- 8) Unfunded budget due to shortage in working capital. The municipality is unable to pay all its creditors and creditors are carried over to the next financial year without sufficient funding therefore.

In order to address the first challenge, the municipality had approach Provincial Treasury for assistance. Provincial Treasury assisted with drafting a recovery plan which is implemented and constantly monitored.

All tariffs needs a review and a process of investigating tariffs and ensuring all cost associated with providing the service has been taken into account, started during 2014/15 financial year. The municipality has received assistance through the Municipal Finance Improvement Programme administered by National Treasury. Through this programme the municipality will receive assistance to do a tariff analysis by using a tariff model and ensuring all direct costs as well as indirect costs are linked to services. The municipality will then be in a position to recommend proper cost reflective tariffs.

Indigent registration will already commence on 1 April 2014. An improved project plan has been adopted by the Indigent steering committee to ensure maximum exposure of the field workers



and maximum advertising of the campaign. Special focus will be given to the Eskom serviced areas where indigent registration is extremely poor.

A pilot project will also be launched to implement improved flow control water meters in Eskom serviced areas to assist the municipality in recovering debt in these areas.

A debt collector has been appointed to assist the municipality in recovering debt.

FINANCIAL RISKS

Financial risks include:

- Changes in inflation rate and other variables
- Unemployment trends
- Global financial instability

FUNDING COMPLIANCE IN TERMS OF SECTION 18 OF THE MFMA

In compliance with the requirements of Section 18 of the MFMA, the revenue budget was based on the following principles:

- Realistically anticipated revenue to be collected.
- Borrowed funds only for capital expenditure.
- Projected revenue for the current year is based on collection levels to date.
- Actual revenue of previous years was taken into account.
- Capital projects were only included if funding confirmation was received, either by means of the DORA allocations as promulgated or by means of commitment from funding institutions.

PARTICULARS OF PLANNED SAVINGS OVER THE MEDIUM TERM

The principle of value adding in all aspects of the administration and service rendering is applied and no expenditure is incurred unless value is added to the municipal administration or services. Care is taken in administrative and supply chain processes to ensure that real economic benefit flows to the municipality as a result of funds being spent.

The following expenditure items are closely monitored:

- Travelling and subsistence
- Telephone expenses.
- Overtime and standby allowances
- Workshops and conferences.
- Fuel and maintenance expenditure in respect of service delivery vehicles



CONTRIBUTIONS OR DONATIONS IN CASH OR IN-KIND

No donations are budgeted for the 2015/2016 financial year.

PARTICULARS OF THE MUNICIPALITY'S INVESTMENTS

None

PARTICULARS OF BANK OVERDRAFTS AND CREDIT FACILITIES

The municipality currently operates a bank overdraft to finance operational requirements in the short term, and it is envisaged that the municipality may once again be required to make use of an overdraft facility in the 2015/2016 financial year in the amount of R3 Million.

PARTICULARS OF NEW AND EXISTING BORROWINGS

Finance leases are required for the acquisition of new vehicles

PARTICULARS OF GRANTS AND SUBSIDIES RECEIVED (See Schedule SA18)

The budgeted grants to be received for the 2015/2016 financial year are as follows:

Operating Grants

Finance Management Grant	R 1 600 000
Municipal System Improvement Grant	R 930 000
EPWP	R 1 018 000
Equitable Share	R23 452 000
PMU	R 443 500
CDM Subsidies	R 310 000
DSRAC – Libraries	R 300 000
TOTAL	R28 053 500

Capital Grants

Municipal Infrastructure Grant	R 8 426 500
RBIG	R23 808 000
Department of Water Affairs (ACIP)	R 1 816 000
TOTAL	R34 050 500



PARTICULARS OF PROPERTY VALUATIONS RATES TARIFFS AND CHARGES

Property rates are levied in terms of the provisions of the Municipal Property Rates Act, 6 of 2004. The current valuation roll was implemented with effect from 1 July 2014. The current valuation roll is valid until 30 June 2019.

The total valuation upon which assessment rates will be levied in terms of the draft new roll amounts to R2.365 Billion. Total revenue raised from assessment rates amount to R4.814 Million, representing an increase of 10% over the rate applicable to the 2014/2015 financial year.

Categories Ratio in relation to residential property

Residential property 1:1

Agricultural property 1:0.071

Public service infrastructure property 1:0.25

Public benefit organization property 1:0.25

Proposed increase in tariffs as follows:

Water	–	15%
Electricity	–	15%
Refuse	–	15%
Assessment rates	–	10%
Sewerage fees	–	15%

Baviaans municipality is experiencing severe cash flow problems. In an attempt to improve this situation, the municipality had to ensure that tariffs were correctly structured. The municipality is currently busy with a full review of all tariffs and related cost. Investigations indicated that tariffs are not correctly structured and need to increase above CPI. An application has been made to NERSA for a tariff increase of 15% for electricity. It is anticipated that all tariff structures will be reviewed before the end of 2015/16 financial year.



CHAPTER 11

ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

No allocations will be made to any other municipality, any organ of state or any organization or bodies outside any sphere of government as referred to in section 67(1) of the Act.

The only non-cash grants that will be given are the subsidies for free basic services to the value of R7.328 million during 2015/16. Please refer to schedule SA21.

EC107 Baviaans - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Groups of Individuals											
<i>Indigents</i>	5	3,572	5,629	5,386	5,285	6,696	6,696	6,696	7,328	8,116	8,862
Total Non-Cash Grants To Groups Of Individuals:		3,572	5,629	5,386	5,285	6,696	6,696	6,696	7,328	8,116	8,862
TOTAL NON-CASH TRANSFERS AND GRANTS		3,572	5,629	5,386	5,285	6,696	6,696	6,696	7,328	8,116	8,862
TOTAL TRANSFERS AND GRANTS	6	3,572	5,629	5,386	5,285	6,696	6,696	6,696	7,328	8,116	8,862

CHAPTER 12

ALLOCATIONS AND GRANTS TO BE RECEIVED BY THE MUNICIPALITY

It is anticipated that the municipality will receive R28 054 million in operating grants and R34.051 million in capital grants.

The municipality is heavily reliant on grant funding especially for capital expenditure. 97.48% of capital acquisitions will be funded from grants. Operational grant funding constitutes 48% of the total operating income of the municipality.

Schedule SA18 gives details of the different grants that will be received whilst Schedule SA19 indicates how much of each grant will be spent.



EC107 Baviaans - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:	1.2									
Operating Transfers and Grants										
National Government:		17,123	20,923	22,029	24,899	24,899	24,899	27,444	27,081	27,389
Local Government Equitable Share		14,833	15,985	18,694	20,481	20,481	20,481	23,452	24,047	24,192
EPWP Incentive			2,318	1,045	1,390	1,390	1,390	1,018	-	-
Finance Management		1,500	1,250	1,400	1,600	1,600	1,600	1,600	1,625	1,700
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1,033
MIG PMU			570		494	494	494	444	452	464
Provincial Government:		2,519	2,540	280	300	300	300	300	316	333
dwa - Water losses										
dwa - Water services asset grant										
dwa - Water and sanitation policy										
dwa - Water conservation and demand		2,519								
Water by-laws (DWA)			200							
Premier additional income			2,000							
Vuna Award				60						
Library subsidy			340	220	300	300	300	300	316	333
District Municipality:		622	847	630	620	680	620	310	250	250
Fire subsidy		250	250	250	250	250	250	250	250	250
IDP Grant		-	597	-						
Tourism		163		380						
Tourism marketing						60	-	60		
Library subsidy		210		-	370	370	370			
Other grant providers:		-	1,531	441	-	1,700	1,700	-	-	-
1% Audit expenditure subsidy			1,531	441		1,700	1,700	-	-	-
Total Operating Transfers and Grants	5	20,265	25,841	23,380	25,819	27,579	27,519	28,054	27,647	27,973
Capital Transfers and Grants										
National Government:		10,447	23,340	22,862	39,709	42,336	42,336	32,235	8,585	8,823
Municipal Infrastructure Grant (MIG)		10,447	12,672	14,030	9,404	9,404	9,404	8,427	8,585	8,823
Regional Bulk Infrastructure			10,668	8,832	20,000	32,032	32,032	23,808	-	-
National Electrification grant					900	900	900	-	-	-
Dept of Housing					9,405	-	-			
Provincial Government:		4,174	2,735	-	-	-	-	1,816	-	-
DWA - Waste water treatment		4,174	2,735							
DWA - ACIP								1,816		
Dept of Housing			1,569	260						
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	16,094	2,831	2,327	2,327	-	-	-
Dept of Water Affairs				16,094	2,831	2,327	2,327			
DTI										
Total Capital Transfers and Grants	5	14,621	26,074	38,956	42,540	44,663	44,663	34,051	8,585	8,823
TOTAL RECEIPTS OF TRANSFERS & GRANTS		34,886	51,915	62,337	68,359	72,242	72,182	62,104	36,232	36,795

EC107 Baviaans - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		17,123	20,659	22,029	24,900	24,899	24,899	27,444	27,081	27,389
Local Government Equitable Share		14,833	15,985	18,694	20,481	20,481	20,481	23,452	24,047	24,192
EPWP Incentive			2,053	1,045	1,390	1,390	1,390	1,018	-	-
Finance Management		1,500	1,250	1,400	1,600	1,600	1,600	1,600	1,625	1,700
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1,033
MIG PMU			570		495	494	494	444	452	464
Provincial Government:		2,048	2,355	390	300	300	300	300	316	333
dwa - Water losses										
dwa - Water services assetgrant										
dwa - Water conservation and demand		2,048	16							
Water by-laws (DWA)			2,000							
Premier additional income				170						
dwa - Rapid response										
Library subsidy			340	220	300	300	300	300	316	333
District Municipality:		872	436	320	250	620	620	310	250	250
Fire subsidy		250	250	250	250	250	250	250	250	250
Tourism		163		10		370	370			
Tourism marketing								60		
Library subsidy		210								
Vuna Awards				60						
LED grant			186							
Wireless backbone		250								
Other grant providers:		-	1,531	441	-	1,700	1,700	-	-	-
1% Audit expenditure subsidy			1,531	441		1,700	1,700			
Total operating expenditure of Transfers and Grants:		20,043	24,981	23,181	25,450	27,519	27,519	28,054	27,647	27,973
Capital expenditure of Transfers and Grants										
National Government:		7,991	21,642	22,153	35,049	42,336	42,336	32,235	8,585	8,823
Municipal Infrastructure Grant (MIG)		7,991	8,537	14,030	9,403	9,404	9,404	8,427	8,585	8,823
Regional Bulk Infrastructure			12,106	7,863	20,000	32,032	32,032	23,808	-	-
National Electrification grant					900	900	900			
Dept of Housing			999	260	4,746	-	-			
Provincial Government:		6,905	1,876	-	-	-	-	1,816	-	-
DWA - Waste water treatment		6,905	1,876							
DWA - ACIP								1,816		
District Municipality:		-	-	-	-	-	-	-	-	-
0										
Other grant providers:		-	-	16,094	2,376	2,327	2,327	-	-	-
Dept of Water Affairs				16,094	2,376	2,327	2,327			
DTI										
Total capital expenditure of Transfers and Grants		14,896	23,518	38,247	37,425	44,663	44,663	34,051	8,585	8,823
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		34,940	48,499	61,428	62,875	72,182	72,182	62,104	36,232	36,795

CHAPTER 13

ANNUAL BUDGET AND SDBIP – DEPARTMENTS

A top level service delivery and budget implementation plan is included in the budget documentation. The SDBIP is indicative of service delivery targets for the 2015/16 financial year. Emphasis is placed on the sustaining of current services and further enhancement if service delivery to all communities.

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CHAPTER 14

CAPITAL EXPENDITURE DETAILS

Total capital expenditure for 2015/2016 will amount to R31.450 million. These acquisitions will be funded as follows:

- R30.658 million – funded by government grant
- R792 thousand – funded by finance leases

Please refer to Schedules:

- SA34a – Capital expenditure on new assets per class
- SA34b – Capital expenditure on the renewal of existing assets
- SA34c – Repairs and maintenance schedule by class of asset
- SA34d - Consolidated depreciation per asset class
- SA36 – Detailed capital budget



EC107 Baviaans - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		12,990	21,854	35,088	30,569	31,753	31,753	21,660	-	-
Infrastructure - Road transport		5,799	7,792	4,480	-	-	-	-	-	-
Roads, Pavements & Bridges		5,799	7,792	4,480	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	425	353	789	1,326	1,326	175	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	789	789	789	-	-	-
Street Lighting		-	425	353	-	539	539	175	-	-
Infrastructure - Water		6,057	10,619	29,660	20,375	30,425	30,425	20,664	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		6,057	10,619	29,660	20,375	30,425	30,425	20,664	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		1,130	3,018	326	-	-	-	-	-	-
Reticulation		-	-	326	-	-	-	-	-	-
Sewerage purification		1,130	3,018	-	-	-	-	-	-	-
Infrastructure - Other		4	-	269	9,405	-	-	-	-	-
Waste Management		4	-	269	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas	3	-	-	-	9,405	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	245	-	-	-	389	396	407
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	245	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	389	396	407
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	50	-	-	-	-	-	-	-
Housing development		-	50	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		1,999	1,068	482	2,302	2,269	2,269	789	-	-
General vehicles		1,634	733	-	1,720	2,074	2,074	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	1	-	138	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	82	82	789	-	-
Furniture and other office equipment		364	334	482	11	112	112	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	433	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	14,988	22,972	35,815	32,871	34,021	34,021	22,238	396	407
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

EC107 Baviaans - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	6,513	5,648	5,648	7,253	5,945	6,110
Infrastructure - Road transport		-	-	-	2,820	4,268	4,268	3,511	1,754	-
Roads, Pavements & Bridges		-	-	-	2,820	4,268	4,268	3,511	1,754	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	263	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	263	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	1,812	3,047	3,055
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	219	3,047	3,055
Reticulation		-	-	-	-	-	-	1,593	-	-
Infrastructure - Sanitation		-	-	-	974	1,319	1,319	1,930	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	974	1,319	1,319	1,930	-	-
Infrastructure - Other		-	-	-	2,456	62	62	-	1,144	3,055
Waste Management		-	-	-	2,456	62	62	-	1,144	3,055
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	1,302	2,180	2,180	1,167	1,189	1,222
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	1,302	2,180	2,180	1,167	1,189	1,222
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	792	-	-
General vehicles		-	-	-	-	-	-	792	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing asset	1	-	-	-	7,816	7,828	7,828	8,212	7,134	7,332
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	19.2%	18.7%	18.7%	29.3%	94.7%	94.7%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	50.1%	48.9%	48.9%	57.6%	44.5%	45.6%

EC107 Baviaans - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			2,479	391	263	529	578	578	786	826	887
Infrastructure - Road transport			157	35	74	165	165	165	175	184	194
Roads, Pavements & Bridges			157	35	74	165	165	165	175	184	194
Storm water											
Infrastructure - Electricity			626	216	123	178	208	208	311	325	340
Generation			-								
Transmission & Reti culation			626	216	87	125	155	155	255	269	283
Street Lighting			-	-	38	53	53	53	56	56	56
Infrastructure - Water			1 675	119	66	96	155	155	205	216	228
Dams & Reservoirs			-								
Water purification			1 675	119	66						
Reti culation			-			96	155	155	205	216	228
Infrastructure - Sanitation			21	20	-	90	50	50	95	100	106
Reti culation			21	20		90	50	50	95	100	106
Sewerage purification			-								
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Waste Management											
Transportation											
Gas											
Other											
Community			185	83	15	38	35	35	37	39	42
Parks & gardens			105	83		5	5	5	8	8	8
Sportsfields & stadia					13	30	30	30	32	33	35
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing					3						
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other											
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other											
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			2,738	2,810	1,875	635	1,934	1,934	1,823	668	884
General vehicles			234	325	220	350	298	298	290	306	322
Specialised vehicles			-								
Plant & equipment			49	118	50	50	53	53	136	138	138
Computers - hardware/equipment			-								
Furniture and other office equipment			5	1		32	26	26	35	37	39
Abolition			-								
Markets			-								
Civic Land and Buildings			-								
Other Buildings			-		30	70	70	70	241	78	82
Other Land			-		3	58	25	25	27	28	30
Surplus Assets - (Investment or Inventory)			-								
Other			2,450	2,166	1,372	75	1,462	1,462	1,084	80	85
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1		5,322	3,083	1,993	1,189	2,548	2,548	2,647	1,932	1,603
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse											
Fire											
Conservancy											
Ambulances											
R&M as a % of PPE			3.0%	1.7%	1.0%	0.5%	1.1%	1.1%	1.1%	0.6%	0.7%
R&M as % Operating Expenditure			7.8%	4.6%	2.7%	1.7%	3.4%	3.4%	3.4%	1.9%	1.9%

EC107 Baviaans - Supporting Table SA34d Depreciation by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Depreciation by Asset Class/Sub-class										
Infrastructure		12,990	13,422	13,915	13,639	14,039	14,039	14,345	14,375	14,425
Infrastructure - Road transport		6,038	6,561	6,719	6,767	6,767	6,767	6,919	6,919	6,919
Roads, Pavements & Bridges		5,469	5,944	6,102	6,150	6,150	6,150	6,302	6,302	6,302
Storm water		568	618	618	618	618	618	618	618	618
Infrastructure - Electricity		770	770	770	770	770	770	770	800	856
Generation										
Transmission & Retiulation		770	770	770	770	770	770	770	800	856
Street Lighting										
Infrastructure - Water		4,338	4,338	4,281	4,338	4,738	4,738	4,472	4,472	4,472
Dams & Reservoirs										
Water purification										
Retiulation		4,338	4,338	4,281	4,338	4,738	4,738	4,472	4,472	4,472
Infrastructure - Sanitation		1,432	1,640	2,103	1,640	1,640	1,640	2,068	2,068	2,068
Retiulation										
Sewerage purification		1,432	1,640	2,103	1,640	1,640	1,640	2,068	2,068	2,068
Infrastructure - Other		113	113	41	124	124	124	116	116	116
Waste Management		113	113	41	124	124	124	116	116	116
Transportation										
Gas										
Other										
Community		140	140	140	135	135	135	140	140	140
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency					6	6	6			
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries		140	140	140	129	129	129	140	140	140
Social rental housing										
Other										
Heritage assets			93							
Buildings										
Other			93							
Investment properties				1,230						
Housing development										
Other				1,230						
Other assets		1,867	1,803	1,590	1,827	1,827	1,827	1,515	1,515	1,515
General vehicles		1,065	1,023	971	1,023	1,023	1,023	900	900	900
Specialised vehicles										
Plant & equipment		93	73	64	67	67	67	64	64	64
Computers - hardware/equipment										
Furniture and other office equipment		585	564	483	643	643	643	463	463	463
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		131	93	92	93	93	93	88	88	88
Other Land			50							
Surplus Assets - (Investment or Inventory)										
Other		14	1	0	1	1	1			
Agricultural assets										
List sub-class										
Biological assets										
List sub-class										
Intangibles		145	59							
Computers - software & programming		145	59							
Other (list sub-class)										
Total Depreciation	1	14,842	15,518	16,875	15,600	16,000	16,000	16,000	16,030	16,080
Specialised vehicles										
Refuse										
Fire										
Conservancy										
Ambulances										

EC107 Bavaans - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework				Project Information	
								Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or Renewal	
Parent municipality: List all capital projects grouped by Municipal Vote															
Technical - Roads & public works	Streets and stormwater Wilmore	57C	D	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	1,728	1,702	2,134	1,725	877		WARD 3	Renewal	
Technical - Roads & public works	Streets and stormwater Stylenville	57	D	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	1,053	2,779	2,134	1,755	877		WARD 2	Renewal	
Technical - Solid waste	Feasibility study landfill sites	48(a)	D	Yes	Infrastructure - Other	Waste Management	225	40					ALL WARDS	Renewal	
Technical - Solid waste	Stylenville solid waste disposal site	48C	D	Yes	Infrastructure - Other	Waste Management	2,455	229	62	-	1,144	3,055	WARD 2	Renewal	
Technical - Sewerage & sanitation	Pipeline waste water treatment works	68	D	Yes	Infrastructure - Sanitation	Sewerage purification	974		1,319	1,920			WARD 4	Renewal	
	Eradication Buxton system Stylenville	67(a)	D	Yes	Infrastructure - Sanitation	Reculation	1,285	66					WARD 2	Renewal	
Technical - Water	Waste water treatment works Wilmore	67(B)	D	Yes	Infrastructure - Sanitation	Sewerage purification	1,728						WARD 1 & 3	Renewal	
	Feasibility study Wondeloo water	46	D	Yes	Infrastructure - Water	Reculation							WARD 3	Renewal	
	Wilmore water supply Wondeloo	47(a)	D	Yes	Infrastructure - Water	Reculation	4,365	6,611		-	3,047	3,055	WARD 1 & 3	Renewal	
	Wondeloo water supply Wondeloo	47(b)	D	Yes	Infrastructure - Water	Reculation	91	57		219			WARD 1 & 3	Renewal	
	Stylenville water Erasmushoof		D	Yes	Infrastructure - Water	Reculation	20,305	22,991	34,425	20,844			WARD 2	Renewal	
	Replacement of old domestic water meters		D	Yes	Infrastructure - Water	Reculation	1,560			1,593			WARD 4	Renewal	
Technical - Housing	Down housing	51(B)	D	Yes	Infrastructure - Other	Housing development	4						WARD 3	Renewal	
	Stylenville housing	52	D	Yes	Infrastructure - Other	Housing development							WARD 2	Renewal	
Technical - Electricity	Stylenville highmast lighting	54	D	Yes	Infrastructure - Electricity	Street Lighting	425	353	116				WARD 2	Renewal	
	Rieton highmast lighting	54	D	Yes	Infrastructure - Electricity	Street Lighting	263		421	175			WARD 4	Renewal	
	Electricity	53	D	Yes	Infrastructure - Electricity	Reculation	789		789				ALL WARDS	Renewal	
	Tools & equipment	n/a	D	Yes	Infrastructure - Electricity	Reculation	138						ALL WARDS	Renewal	
Community - Parks & sports fields	Upgrading of sport fields	62	B	Yes	Community	Sportsfields & stadia	1,302		2,180	1,157	1,189	1,222	ALL WARDS	Renewal	
Executive & Council	Vehicles	n/a	A	Yes	Other	General vehicles	792			792			ALL WARDS	Renewal	
Executive & Council	Investment Properties	n/a	A	Yes	Investment Properties	Housing development	50						ALL WARDS	Renewal	
Community - cemeteries	Feasibility study cemeteries	60	D	Yes	Community	Cemeteries	279	245		369	398	407	ALL WARDS	Renewal	
Community services	LED PROJECTS	n/a	C	Yes	Community	Other	433						ALL WARDS	Renewal	
Technical - Sewerage & sanitation	Eradication Buxton system Stylenville	67(a)	D	Yes	Infrastructure - Sanitation	Sewerage purification	437						WARD 2	Renewal	
Technical - Sewerage & sanitation	Eradication Buxton system Stylenville	67(a)	D	Yes	Infrastructure - Sanitation	Sewerage purification	260	260					WARD 2	Renewal	
Technical - Services - Housing	Down housing	51(B)	D	Yes	Infrastructure - Other	Housing development	9,405						WARD 3	Renewal	
Budget & Treasury	Office furniture	n/a	A	Yes	Other Assets	Furniture and other office equipment	11	442	194				ALL WARDS	Renewal	
Budget & Treasury	Upgrade of IT infrastructure	n/a	A	Yes	Other Assets	Computers, hardware/equipment	789	-		789	-	-	ALL WARDS	Renewal	
Council	Vehicles	n/a	A	Yes	Other Assets	General vehicles	1,720		2,074				ALL WARDS	Renewal	
Parent Capital expenditure										31,450	7,531	7,278			

CHAPTER 15

CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

There are no contracts with future budgetary implications

Please refer to Schedule SA33



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CHAPTER 16

LEGISLATIVE COMPLIANCE

The Municipal Finance Management Act brought about uniformity, accountability and control measures to local government in terms of financial reporting and budgeting. The Act required a high level of transformation financial disciplines and planning.

New budget regulations were published in Gazette nr. 32141 on 17 April 2009. The object of these regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process. The 2015/2016 budgets for all municipalities needs to comply with these regulations.

Challenges experienced:

Although the financial system has the capabilities of generating the budget schedules, problems were experienced with regards to the accuracy of the information generated. Not all staff in the BTO has been trained on the reporting module of the financial system.

The MFMA regulates monthly and quarterly reports to be submitted to National Treasury. A significant improvement was noted during the 2014/15 financial year with regards to the submission of S71 reports.

Achievements:

The municipality received assistance from National Treasury within the MFIP II programme. A National Treasury Advisor has been allocated to the municipality to assist the municipality and address key issues identified and stipulated in an activity plan. The advisor is assisting greatly in ensuring compliance with regards to reporting and other compliance issues.

The municipality also received assistance from the Sarah Baartman Municipality who implemented a project to ensure improved audit outcomes within the local municipalities. A service provider has been appointed and is working on site to assist with issues relating to audit readiness.



CHAPTER 17

BUDGET – DETAILS PER DEPARTMENT

Please refer to schedule SA2 for details



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EC107 Baviaans - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and

Description	Ref	Vote 1 - Executive & Council	Vote 2 - Corporate Services	Vote 3 - Budget & Treasury Office	Vote 4 - Technical Services	Vote 5 - Community Services	Total
R thousand	1						
Revenue By Source							
Property rates				4,814			4,814
Property rates - penalties & collection charges							-
Service charges - electricity revenue					12,637		12,637
Service charges - water revenue					4,339		4,339
Service charges - sanitation revenue					2,770		2,770
Service charges - refuse revenue					3,183		3,183
Service charges - other							-
Rental of facilities and equipment			197				197
Interest earned - external investments				121		56	177
Interest earned - outstanding debtors				530			530
Dividends received							-
Fines						2	2
Licences and permits						832	832
Agency services						756	756
Other revenue			66	32	115	270	484
Transfers recognised - operational		1,368		9,275	12,512	4,899	28,053
Gains on disposal of PPE							-
Total Revenue (excluding capital transfers and contributions)		1,368	263	14,772	35,558	6,815	58,775
Expenditure By Type							
Employee related costs		1,316	2,073	4,204	11,853	5,250	24,696
Remuneration of councillors		1,859	-				1,859
Debt impairment							-
Depreciation & asset impairment		29	148	93	15,335	395	16,000
Finance charges			1,305				1,305
Bulk purchases					10,620		10,620
Other materials							-
Contracted services							-
Transfers and grants				985	6,343		7,328
Other expenditure		589	2,466	4,858	6,794	1,517	16,225
Loss on disposal of PPE							-
Total Expenditure		3,793	5,991	10,140	50,946	7,162	78,032
Surplus/(Deficit)		(2,425)	(5,729)	4,632	(15,389)	(347)	(19,257)
Transfers recognised - capital					32,277	1,774	34,051
Contributions recognised - capital							-
Contributed assets							-
Surplus/(Deficit) after capital transfers & contributions		(2,425)	(5,729)	4,632	16,888	1,427	14,793

ANNEXURES

Annexure A – Tariff listing
Annexure B – Personnel Budget
Annexure C - Summary Line items

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ANNEXURE A - TARIFF LISTING

BAVIANS MUNICIPALITY				
PROPOSED TARIFFS WITH EFFECT FROM 1 JULY 2015				
Description	2014/2015	2015/2016	Increase y/y	
New Property Rates				
All residential Properties below R 50 000	535.73 R / year	589.30 R / year	10%	
All residential Properties from R 50 001 to R 100 000	584.43 R / year	642.87 R / year	10%	
Households above R 100 000 - Steytlerville	0.00590 c/R	0.00650 c/R	10%	
Households above R 100 000 - Willowmore	0.00590 c/R	0.00650 c/R	10%	
Households Rietbron	0.00450 c/R	0.00495 c/R	10%	
Business - Steytlerville	0.00759 c/R	0.00835 c/R	10%	
Business - Willowmore	0.00759 c/R	0.00835 c/R	10%	
Agricultural land used for business and commercial purposes	0.00276 c/R	0.00304 c/R	10%	
Public service Infrastructure	0.00148 c/R	0.00162 c/R	10%	
Agricultural Property	0.00042 c/R	0.00046 c/R	10%	
State property	0.00961 c/R	0.01057 c/R	10%	
Business in rural area	0.00765 c/R	0.00841 c/R	10%	
Vacant Land	0.01614 c/R	0.01776 c/R	10%	
<i>Please note that indigents with a house value of R100 000 or more will only receive rates subsidy on specific application for such subsidy</i>				
Refuse Fees - Excl VAT				
Refuse Domestic Removal	63.25	72.74	15%	
Refuse NON Domestic Removal	101.20	116.38	15%	
Refuse Rietbron	12.12	13.94	15%	
Garden refuse removal		on quotation		
Sewerage Fees - Excl VAT				
Septic Tank Removal per removal	173.94	200.03	15%	
Sewerage Levy Domestic	50.60	58.19	15%	
Sewerage Levy NON Domestic	240.35	276.40	15%	
Sewerage Levy Rietbron	34.59	39.77	15%	
Septic Tank Removal Rietbron		61.40		
Availability charge - empty even only	23.72	27.28		
Sewerage Clogging	94.62	108.82	15%	
Sewerage School	240.35	276.40	15%	
Sewerage Truck	25.05 Per km	28.80 Per km	15%	
Electricity - Excl VAT				
Domestic Credit (BBESD)				
Basic House Hold SHH2, WHH1, WHH2	130.10	149.62	15%	
Units	1.06	1.22	15%	
Domestic Pre-Paid (BHPP)				
Units	1.40	1.61	15%	
Units Zaaimanshoek	1.53	1.75	15%	
Small Business Credit Single				
Phase (BBESL) incl. SBES1, SBES2, WKER				
Non Domestic not exceeding > 60 amp				
Basic Small Business	166.54	191.82	15%	
Units	1.13	1.30	15%	
Small Business Credit up to 30 amp (BBESM)				
Non Domestic not exceeding 30 amp incl. (BPP1, SHH1, SPP1)				
Basic Small Business	334.12	384.24	15%	
Units	1.02	1.17	15%	
Small Business Credit 60 amp (BBESH)				
Including G>200, G> 800, WBES2				
Basic Small Business	520.40	598.46	15%	
Units	1.02	1.17	15%	
Small Business Pre-Paid (BBPP)				
Including BPP2, BPP3				
Units	1.43	1.64	15%	
Large Power Users (WKVA)				
Basic monthly maximum demand	133.06	153.02	15%	
Energy consumption	0.89	1.02	15%	
Street Lights (WSTR)				
Units	0.65	0.75	15%	
Call out Fee	171.49	197.22	15%	
Connection and Disconnection - new account & terminations	209.93	241.42	15%	
Testing of meters	189.24	217.62	15%	
Availability charge - empty even only	23.72	27.28	15%	
New connections Actual cost plus 5%				

Water			
Basic Charge - Business Gov. Dept and Households except indigents	18.03	20.73	15%
Consumption: 0-6kl per kl (only indigent households)	-	-	-
Basic Charge Rietbron	18.16	20.89	15%
Consumption Rietbron	3.07	3.53	15%
Consumption: 0-20kl per kl (households)	5.41	6.22	15%
Consumption: 21 - 50kl per kl (households)	5.94	6.83	15%
Consumption: 51 - 80kl per kl (households)	7.33	8.43	15%
Consumption 81 - 999999 per kl (households)	8.80	10.12	15%
Consumption: 0 - 20kl per kl (business, guest houses, garages and hotels)	5.22	6.00	15%
Consumption: 21kl - 50kl per kl (Business, guest houses, garages and hotels)	5.75	6.61	15%
Consumption: 50kl - 999999kl per kl (Business, guest houses, garages and hotels)	6.30	7.25	15%
Consumption: 0kl - 999999kl per kl (government dept and schools)	5.75	6.61	15%
Consumption: Sport Grounds & farmers	5.84	6.83	15%
Availability Charge - Empty Stands	23.72	27.27	15%
Connect or disconnections new accounts & termination	47.43	54.56	15%
Administration (VAT Excluded)			
Standard Building Plan	159.72	175.44	10%
Building Fees	7.99	8.78	10%
Building Fees Deposit New Buildings	878.46	969.30	10%
Building Fees Deposit Alterations	878.46	969.30	10%
Building Fees Deposit RDP	292.82	322.11	10%
Building Fees Alteration	239.58	263.15	10%
Penalty for building without approved building plan	750.00	825.00	10%
Valuation Certificate	159.72	175.44	10%
Clearance Certificate (Waiting period 3 Days)	159.72	175.44	10%
Tender documents	337.72	372.81	10%
Photo Copies	9.32	9.32	-
Fax	15.97	15.97	-
Cemetery (VAT Excluded)			
Willowmore Town	239.58	263.16	10%
Steytlerville Town	239.58	263.16	10%
Rietbron Town	151.79	166.67	10%
Both Towns one grave two persons	319.44	350.88	10%
Point out of grave	159.72	175.44	10%
Rietbron Town	62.28	70.18	10%
Willowmore Township	46.59	52.63	10%
Steytlerville Township	46.59	52.63	10%
Both Townships one grave two persons	66.55	74.56	10%
Point out of grave	19.97	21.93	10%
Commonage - Grazing Fee - Excl VAT			
Pound Fee Donkey/Cattle per day	75.86	87.72	10%
Pound Fee Small Stock per day	33.28	39.47	10%
Town Halls - Excl VAT			
Functions arrange and related to Municipality	-	-	-
Deposit: Functions arrange and related to Municipality	-	-	-
Any other functions	1,597.20	1,754.39	10%
Deposit: Any other functions	1,597.20	1,754.39	10%
Political Meetings	2,395.80	2,635.96	10%
Deposit: Political Meetings	1,597.20	1,754.39	10%
Kitchen	798.60	877.19	10%
Deposit: Kitchen	798.60	877.19	10%
No National, Provincial and Schools will be allowed to rent the Town Halls			
Community Halls Excl VAT			
Community Halls Willowmore	320.00	350.88	10%
Deposit Community Halls Willowmore	400.00	442.98	10%
Community Halls Steytleville	320.00	350.88	10%
Deposit Community Halls Steytleville	400.00	442.98	10%
Municipality and National and Provincial Departments	-	-	0.00
Community Halls Rietbron	80.00	87.72	10%
Deposit Community Halls Rietbron	195.00	214.91	10%
Town Hall Furniture Excl VAT			
Chairs (per 20 chairs)	70.00	78.95	11%
Tables (per table)	20.00	21.93	10%
Deposit (per 20 chairs)	130.00	144.74	11%
Sportsfields - Excl VAT			
Usage of sportsfields - one day	30.00	35.09	17%
Usage of sportsfields incl bathrooms - one day	-	-	-
Usage of sportsfields - annual charge - sportclubs	300.00	333.34	11%

Hawkers - excl VAT

Hawker licences (Inside)
Hawker licences (Outside)

100.00 Per year	109.65 Per year	10%
800.00 Per year	877.19 Per year	10%

Rezoning Fees: Deposit - Excl VAT

Application fee for consent use - house shop - Excl VAT

Application fee for consent use - spaza shop - Excl VAT

Application fee for consent use any other business managed from residential property - Excl VAT

Application fee for consent use for business requiring special licence e.g. liquor or Game shop - Excl VAT

Yearly tariff for consent use of erven used as spaza shop - Excl VAT

Application fee for advertising displayed on any other business managed from residential property - Excl VAT

Encroachment fee - excl VAT

Consent use valid for 2 year

3,221.02	3,543.86	10%
50.00	55.00	10%
350.00	385.00	10%
100.00	110.00	10%
500.00	550.00	10%
1,500.00 per year	1,650.00 per year	10%
200.00	220.00	10%
1,000.00 per year	1,100.00 per year	10%

Fire Services

Call out fee - excl VAT

Kilometres distance travelled

Water usage

330	363.03
R7 15/km	7.85/km
applicable water tariff x 7 000 litres	applicable water tariff x 7 000 litres

Traffic Services

Vehicle licensing & testing

Drivers license

Learners license

Hire of K53 yard

as per gazette	as per gazette
as per gazette	as per gazette
as per gazette	as per gazette
R100/ hour/vehicle	R100/ hour/vehicle

All Tariffs stated above are Exclusive of VAT

For any other service not included above tariff list, the Municipality will provide a quotation

The following arrangements are available for defaulting account holders as listed below:

Category	Income Threshold Gross Income	Description & Repayment period
Indigent	0- Threshold described in the Indigent Policy	(i) Free Basic Services and write off of arrears with first application and after that a maximum repayment of R50 (ii) A Further write off arrears can be allowed where the arrears linked to leakage of water and prove can be obtained that the leakage is repaired
Deferment A	Less than R6000	Makes an arrangement (in writing) where the consumer pays the current account and Council write off the deferred amount over repayment period of 12 months or minimum of R100
Deferment B	6000-12000	Makes in arrangement (in writing) where the consumer agrees to pay the current account and half of the deferment and Council write off the other half of the deferred amount over the repayment period of 18 months or a minimum of R100
Deferment C	Above 12000	Makes an arrangement (in writing) to pay current account + all arrears over 12 Months or a minimum of R 100
Business Deferment	Business	pays current account + pays 50% of arrears immediately and make arrangement in writing for the remainder over 6 months

The Municipal Manager can agree on a settlement offer from an account holder where it seems to be in the best interest of the Municipality. This settlement has to be reported to Council.

Churches, creche, sport clubs, welfare and any other welfare or NGO's will be treated as follows:

- This category of account holder will be allowed to enter into arrangement for the repayment of arrears after (1) the installation of a prepaid meter and payment cost of conversion and the reassessed security deposit are paid upfront.
- (2) The property is registered in the name of the institution, that is the account holder, (3) the property is zoned as above.
- A minimum down payment of 20% plus current account
- A maximum repayment period of 36 months with a minimum instalment of R60 per month plus the current account

Disconnection

	2013/2014	2014/2015
Charges for disconnection or restriction of services (Conventional / credit meters) - incl VAT	R 325.00	R 375.00
Charges for reconnection or reinstatement of services incl VAT	R 325.00	R 375.00
Charges for Blocking/Unblocking of Pre-paid meter (Reconnection fee payable in cash prior to reconnection) incl VAT	R 40.00	R 50.00
Charges for Notices of Default incl VAT	R 40.00	R 50.00
Penalty Charges for Illegal Connections & Tampering incl VAT	R 2,220.00	R 2,553.00
Penalty charges for dishonoured Cheques incl VAT	R 120.00	R 132.00
Interest on Accounts	Prime + 2%	Prime + 2%

DEPOSITS: The amount to be deposited shall be determined in the following manner:

Service	Consumer Type	Initial deposit	Deposit Review after disconnection/ restriction of supply
All Municipal Service (consumers with prepaid electricity installed)	Domestic Consumer	R350.00	1,5 average monthly account
All Municipal Service (consumers with conventional electricity meters installed)	Domestic Consumers	R1 050.00	1,5 average monthly account
All Municipal Service (consumers with prepaid electricity installed)	Formal Business	R1 200.00	1,5 average monthly account
All Municipal Service (consumers with prepaid electricity installed)	Formal Business	R3 000.00	1,5 average monthly account
Water accounts only	All Consumers	R280.00 account	1,5 average monthly account
All Municipal services	Households residing in a sub economic house with a property value of R100000 and less and who are indigent	NIL	NIL
All Municipal services	Households residing in a sub economic house with a property value of R100000 and less and who are not indigent	R242	1.5 average monthly account

Targeting of Indigent Households - The Municipality's target approach is as follows.

Targeting Approach	Application
Household Income	Threshold determined in terms of the 2 government pension.



ANNEXURE B - PERSONNEL BUDGET

FINAL PERSONNEL BUDGET 2015/2016 IN LINE WITH REVISED ORGANOGRAM

Designation	Task grade	New Salary (inc. notch increases where applicable)	Annual Bonus	Pension	provident	Medical	Group life	UF	Transport	Overtime	Housing	Long Services	Industrial	Other Allow	Standby	Skills	Total Package	Cell & 3G	Total Cost
		R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
COUNCIL																			
Mayor	Mayor	364,002				28,569											382,591	25,887	418,478
Councillor	CLLR	214,141															214,141	25,887	240,028
Councillor	CLLR	214,141															214,141	25,887	240,028
Councillor	CLLR	214,141															214,141	25,887	240,028
Councillor	CLLR	214,141															214,141	25,887	240,028
Councillor	CLLR	214,141															214,141	25,887	240,028
Councillor	CLLR	214,141															214,141	25,887	240,028
		1,648,845				28,569											1,677,414	181,210	1,858,624
PENSIONERS																			
Pensioner						30,000											30,000		30,000
Pensioner						60,327											60,327		60,327
Pensioner						30,234											30,234		30,234
						30,000											30,000		30,000
						100,828											100,828		100,828
TOTAL COUNCILLORS & PENSIONERS		1,848,645				195,415											1,844,260	181,210	2,025,470
Municipal Manager's Office																			
Municipal Manager (AO)	MAN	638,159							1,785	152,928						7,750	800,716	14,400	815,116
Senior Clerk/Telephone	T6	98,817	11,210			17,787	10,085	1,071	1,071		300					1,431	146,032		146,032
Personal assistant to MM	T8	134,514		24,213			10,996	1,457			300					1,345	184,121		184,121
TOTAL MUNICIPAL MANAGER'S OFFICE		871,491	19,444	24,213		17,787	30,081	4,312	162,828		600					10,364	1,131,470	14,400	1,146,870
BUDGET & TREASURY																			
Chief Finance Officer	MAN	741,433							1,785							7,529	750,833	10,800	761,633
Manager BTO	T16	402,834	33,553	72,474		35,057	11,000	1,785	1,785							7,131	553,020		553,020
Expenditure Controller	T10	206,147	17,179	37,100		21,407		1,032			1,032					3,472	277,873		277,873
Revenue Controller WM	T5	77,955	6,496	14,032				1,785			300					2,427	286,488		286,488
Cashier Rialbron	T11	196,589	16,382	35,386		14,646		1,785								2,032	102,386		102,386
Finance Administrator	T10	206,147	17,179	37,100				1,785								2,130	276,844		276,844
FBS controller	T7	118,475	9,956	21,506		33,293		1,294			300					3,329	265,933		265,933
Principal Clerk Assets	T10	174,615	14,551	30,000		20,244		1,785								1,294	186,905		186,905
Revenue Controller SV	T6	92,037	7,670	10,507				957			300					1,892	250,142		250,142
Data Capturer	T8	119,475	9,956	21,506		33,915		1,294								2,440	186,873		186,873
Expenditure clerk	T5	87,779	7,315	15,000		10,997		951								1,596	124,526		124,526
Cashier - Willowmore	T5	87,779	7,315	15,000				951								1,309	116,124		116,124
Cashier - Sterkfontein	T5	87,779	7,315	15,000				951								2,405	245,335		245,335
SCM Practitioner	T10	206,154	17,179	37,100		17,725		1,785								2,405	209,658		209,658
Asset Management Practitioner	T10	158,800	13,233	33,348				1,785											
Intern (Contract)		funded through FMG																	
Intern (Contract)		funded through FMG																	
Intern (Contract)		funded through FMG																	
Intern (Contract)		funded through FMG																	
SCM Demand & Acquisition	T8	151,453	12,621	27,262		30,741		1,841								2,560	228,764		228,764
TOTAL BUDGET AND TREASURY		3,224,618	207,765	424,301		215,062		24,878	2,482	3,840	1,382					45,351	4,186,708	10,800	4,197,509

Designation	Task grade	New Salary R	Annual Bonus R	Pension R	Council Contribution				UIF R	Transport R	Overtime R	Housing R	Other Cost			TOTAL R	Cell	Total Cost	
					Provident R	Medical R	Group life R	Long Services R					Industrial R	Other Allow R	Standby				Skills
ELECTRICITY																			
Elec. Artisan Steytlerville	T10	221,342	18,445	46,482		27,824		1,785		29,736	-	4,427	86		13,275	4,486	387,868	3,000	370,868
Elec. Artisan Willowmore	T10	219,937	18,161					1,785			-		86			2,352	244,038	3,000	247,038
Electrical Assistant Willowmore	T3	81,751	6,813	-	14,715			909		2,039	300		86			909	107,522		107,522
		521,030	43,419	46,482	14,715	27,824		4,479	-	35,482	300	4,427	258	-	13,275	7,747	719,450	6,000	725,450
WATER																			
Artisan Water/Electrical WM	T10	211,079	17,590	37,994				1,785		40,356			86		16,992	5,058	330,940	2,400	333,340
Artisan Water/Electrical WM	T10	221,339	18,445	39,841		28,215		1,785		28,674		4,427	86		12,744	4,436	359,991	2,400	362,391
General Assistant - Water WM	T3	81,753	6,813	14,715				958		6,896	300		86			958	112,478		112,478
General Assistant - Water WM	T3	81,751	6,813		14,715			897		797	300		86			897	106,255		106,255
General Assistant - Water WM	T3	74,356	6,196	13,384				824		-			86	1,844	-	227	96,917	-	96,917
Meter reader	T3	85,714	7,143	18,000		32,406		988		2,011	3,944		86			988	151,281		151,281
Water Assistant Steytlerville	T3	81,751	6,813	17,168		19,085		1,117		12,744	300	2,453	86		5,217	1,788	148,521	2,400	150,921
Water Assistant Steytlerville	T3	81,753	6,813	17,168				908		637		1,597	86			1,333	110,294		110,294
Meter reader	T5	85,714	7,143	18,000				932			300		86			1,395	113,570		113,570
Artisan Water/Electrical SV	T10	221,342	18,445	46,482		43,005		1,785		35,046	3,405		86		13,806	2,950	386,352	3,000	389,352
Plant Operator (Shift Worker)	T6	119,476	9,956	-	21,508			1,685		27,612	300		86	6,372	4,779	1,685	183,457		193,457
Plant Operator (Shift Worker)	T6	119,476	9,956	-	21,508			1,785		30,678	300		86	6,372	20,548	1,873	212,581		212,581
		1,485,504	122,125	222,782	57,727	122,711	-	19,448	-	185,489	9,149	8,476	1,031	14,589	74,096	33,599	3,322,636	10,200	3,332,836
PUBLIC WORKS																			
Head of Technical Services	MAN	650,000.00																	
Administrative Assistant	T9	174,615	14,551	31,431		25,016		1,785		2,152	300		86			5,500	886,371	10,800	897,171
Manager TS - Ass to the HOD (S)	T16	400,458	33,371		23,783			1,785			6,138		86	12,000		4,712	253,268	2,400	255,668
Manager TS - Ass to the HOD (W)	T16	400,458	33,371	72,082				1,785					86			6,633	484,334	2,400	486,734
General assistant streets SV	T3	81,753	6,813	17,168				902		-	300		86	1,338		886	109,246		109,246
General assistant streets SV	T3	81,753	6,813	17,168				889			300		86			886	107,894		107,894
General assistant streets SV	T3	74,361	6,197					806		-			86			806	82,256		82,256
General assistant streets SV	T3	81,753	6,813	17,168				889			300		86			886	107,894		107,894
Handyman Plumbing Baviaanskloof	T7	122,348	10,196					1,325			300		86			1,325	135,281		135,281
Foreman Electrician	T10	206,147	17,179	37,108				1,785					86		12,075	3,501	277,880	277,880	277,880
General worker	T4	121,348	10,112	21,843				1,315					86			2,095	156,739		156,739
General worker	T4	121,348	10,112	21,843				1,315					86			1,977	156,682		156,682
General worker	T4	121,348	10,112	21,843				1,315					86			1,315	134,176		134,176
General worker	T5	121,348	10,112	21,843				1,315					86			1,315	156,019		156,019
Driver Refuse (Rietbron)	T7	111,270	9,272	20,029		13,450		1,280					86			1,315	156,019		156,019
Driver Specialist	T7	125,286	10,441		22,562			1,382		2,124	300		86		7,495	2,174	185,032		185,032
Street Sweepers SV	T3	79,837	6,653	16,766		13,365		868					86			1,356	163,526		163,526
Street Sweepers SV	T3	81,753	6,813	17,168		8,089		889			300		86			885	118,730		118,730
Street Sweepers WM	T2	79,837	6,653		14,371	9,168		1,025		15,718	300	2,395	86		1,504	1,115	137,202		137,202
Street Sweepers WM	T2	79,837	6,653		14,371	21,703		1,025		15,718	300	2,395	86		1,504	1,115	137,202		137,202
Street Sweepers WM	T2	79,837	6,653		14,371	21,703		1,008		14,045	300	2,395	86			1,165	141,564		141,564
		3,316,858	222,238	311,614	51,293	117,194		26,448	0	34,038	8,838	4,700	1,723	13,338	19,570	44,287	4,171,228	15,800	4,187,028
TOWN PLANNING																			
Town Planner	T16	400,458	33,371			17,081		1,785					86			4,433	457,215	2,400	459,615
Housing Administrator	T9	183,086	15,257	32,056		14,833		1,785					86			3,334	251,437		251,437
		583,544	48,629	32,056	-	32,014	-	3,670	-	-	-	-	173	-	-	7,768	709,851	2,400	711,051
SIENDOMME & GEROUKE																			
Handyman Steytlerville	T7	122,348	10,196	25,083				1,340		1,126	300		86			1,325	182,414		182,414
Handyman Willowmore	T7	122,348	10,196	22,023		21,877		1,374		4,877			86			2,374	185,154		185,154
		244,696	20,381	47,118	-	21,877	-	2,714	-	8,082	300	-	173	-	-	3,690	347,568	-	347,568

Designation	Task grade	New Salary in 2025 where applicable	Annual Bonus	Pension	Medical	Group life	UIF	Transport	Overtime	Housing	Long Services	Industrial Allow	Standby	Skills	Total Package	Call & 3G	Total Cost	
SANITATION																		
Foreman Sanitation, Streets & Stormwater WM	T10	178,809	14,901	-	32,188	-	1,785	-	30,621	300	-	86	8,653	2,597	273,778	2,400	276,178	
Supervisor Public Works & sanitation SV	T10	178,809	14,901	37,550	-	-	1,785	-	19,960	300	-	86	10,774	1,381	297,446	2,400	299,846	
Driver Operator SV	T6	103,627	8,636	21,762	-	-	1,128	-	244	300	-	86	1,157	1,160	137,842	-	137,542	
Driver Operator Willowmore	T0	103,627	8,636	-	18,653	9,596	1,157	-	3,186	300	-	86	844	1,157	140,398	-	146,399	
General Assistant	T4	74,356	6,196	-	-	-	844	-	3,851	-	-	86	-	-	86,178	-	86,178	
General Worker conservancy tanks SV	T3	81,753	6,813	17,108	-	-	902	-	-	300	-	86	1,338	1,359	109,719	-	109,719	
General Worker conservancy tanks WM	T3	74,356	6,196	13,364	-	-	806	-	-	-	-	86	-	-	86,634	-	86,634	
General Assistant WM	T4	76,139	6,345	-	13,705	-	825	-	-	-	-	86	-	-	87,925	-	87,925	
General Assistant	T3	83,716	6,976	-	15,000	-	953	-	4,305	300	-	86	-	-	112,359	-	112,359	
General Assistant	T4	85,714	7,143	-	15,420	6,434	951	-	1,381	300	-	86	532	973	118,962	-	118,962	
General Assistant	T4	85,714	7,143	-	15,420	-	990	-	5,310	300	-	86	532	990	119,514	-	119,514	
General Assistant	T4	83,716	6,976	-	15,000	-	917	-	1,96	300	-	86	532	917	108,732	-	108,732	
General Assistant	T4	83,716	6,976	-	15,000	6,434	954	-	3,882	300	-	86	532	1,027	118,997	-	118,997	
General Assistant	T3	74,356	6,196	15,015	-	-	806	-	-	-	-	86	-	870	87,028	-	87,028	
		1,366,408	111,634	168,478	140,067	28,463	14,803	-	72,838	3,000	-	1,310	7,087	18,427	1,466,113	4,800	1,470,913	
REFUSE																		
Supervisor Refuse SV	T10	178,809	14,901	37,550	-	-	1,785	-	23,045	300	-	86	-	2,804	236,235	-	236,235	
Foreman Refuse, Streets & Public Works WM	T10	170,321	14,210	-	30,694	22,587	1,784	-	23,045	300	-	86	6,372	2,168	271,768	2,400	274,168	
Driver Operator SV	T6	103,627	8,636	21,762	-	-	1,180	-	404	300	-	86	-	1,792	137,735	-	137,735	
Driver Operator Willowmore	T0	103,627	8,636	-	18,653	9,596	1,160	-	292	300	-	86	1,192	1,735	140,784	-	140,784	
General Worker Refuse (Tip) SV	T3	74,356	6,196	13,364	-	-	806	-	5,784	300	-	86	-	1,192	140,357	-	140,357	
General Worker	T3	81,753	6,813	-	14,715	-	928	-	869	-	-	86	-	869	95,697	-	95,697	
General Worker	T3	81,753	6,813	-	14,715	-	936	-	109,442	300	-	86	-	928	109,442	-	109,442	
General Assistant	T3	81,753	6,813	17,108	-	-	896	-	4,779	300	-	86	-	936	110,319	-	110,319	
General Worker Refuse	T3	81,753	6,813	17,108	-	-	886	-	743	300	-	86	-	896	108,656	-	108,656	
General Assistant	T3	81,753	6,813	17,108	-	-	886	-	-	-	-	86	-	886	107,591	-	107,591	
General Assistant	T3	81,753	6,813	17,108	-	-	913	-	1,579	300	-	86	1,171	1,579	134,440	-	134,440	
General Assistant	T3	81,753	6,813	17,108	-	-	915	-	-	-	-	86	1,338	1,338	111,008	-	111,008	
General Assistant	T7	125,286	10,441	-	22,552	-	1,371	-	1,062	300	-	86	-	1,371	162,468	-	162,468	
Supervisor Refuse	T6	103,627	8,636	-	18,653	-	1,147	-	1,593	300	-	86	-	1,147	135,178	-	135,178	
Driver Operator Willowmore	T6	103,627	8,636	-	18,653	-	1,147	-	1,593	300	-	86	-	1,147	135,178	-	135,178	
		1,453,896	127,366	363,130	119,962	43,946	15,844	-	81,621	3,000	3,194	1,310	5,696	7,259	19,636	2,400	2,004,079	
TOTAL TECHNICAL SERVICES																		
		8,854,038	682,003	830,127	384,324	300,030	82,303	-	378,641	24,887	20,887	6,778	41,208	133,617	124,864	12,159,326	41,400	12,200,726
CORPORATE SERVICES ADMINISTRATION																		
Manager Corporate	MAN	487,054	11,479	28,028	21,977	-	1,785	79,650	-	-	-	86	-	5,422	674,198	10,800	584,998	
Personal Assistant	T8	137,751	15,634	33,749	-	-	1,492	-	-	300	-	86	-	1,492	207,126	-	207,126	
Administrative Officer	T11	167,492	15,634	44,327	35,853	-	1,785	-	-	-	-	86	-	2,031	240,767	-	240,767	
HR Officer Strydomville	T11	211,083	17,590	44,327	22,150	-	1,785	-	-	300	-	86	-	2,287	313,312	-	313,312	
Principal Clerk Records	T7	138,291	10,691	-	22,002	-	1,590	-	-	806	-	86	-	1,484	187,433	-	187,433	
Messenger/Cleaner Strydomville	T3	74,356	6,196	13,364	-	-	806	-	-	300	-	86	-	806	86,833	-	86,833	
Messenger/Cleaner Willowmore	T3	74,356	6,196	13,364	-	-	806	-	-	-	-	86	-	-	86,833	-	86,833	
		1,360,383	87,777	133,772	23,062	79,880	9,848	79,880	-	1,200	-	864	-	14,489	1,714,424	10,800	1,725,224	
TOTAL CORPORATE SERVICES																		
		1,360,383	87,777	133,772	23,062	79,880	9,848	79,880	-	1,200	-	864	-	14,489	1,714,424	10,800	1,725,224	
COMMUNITY SERVICES																		
MAN	MAN	426,520	17,179	15,000	10,996	-	1,785	140,184	-	-	-	86	-	4,265	672,840	10,800	581,640	
Performance Management	T11	206,147	7,213	-	-	-	1,785	-	-	-	-	86	-	2,233	227,431	-	227,431	
Customer Care Clerk Willowmore	T3	87,779	10,411	-	-	-	951	-	-	-	-	86	-	951	123,878	-	123,878	
Personal Assistant - Mayor	T8	125,286	10,411	-	25,932	-	1,597	-	-	-	-	86	-	1,552	181,079	-	181,079	
Administration Officer	T11	206,147	17,179	17,108	35,028	-	1,785	140,184	-	5,138	-	86	-	2,233	298,007	-	298,007	
		1,061,870	82,113	78,458	35,028	-	7,003	140,184	-	8,138	-	432	-	11,940	1,381,635	10,800	1,392,435	
LED OFFICE																		
LED Officer	T11	211,083	17,590	37,005	-	-	1,785	-	-	-	-	86	-	3,698	272,238	-	272,238	
		211,083	17,590	37,005	-	-	1,785	-	-	-	-	86	-	3,698	272,238	-	272,238	
TOURISM																		

Designation	Task grade	New Salary Inc. notch increases where applicable	Annual Bonus	Pension	provident	Medical	Group life	UIF	Transport	Overtime	Housing	Other Long Services	Industrial Allow	Standby	Skills	Total Package	Cell & SO	Total Cost	
TOURISM																			
Tourism Officer WM	T11	243,375	20,281	43,808				1,785					86		4,343	313,878		313,878	
Tourism Officer SV	T11	206,147	17,179	43,291		20,993		1,785					86		3,728	283,208		293,208	
Tourism clerk	T5	77,955	6,496	14,032				845					86		845	100,258		100,258	
		527,477	43,956	101,130		20,993		4,416					250		8,915	707,145		707,145	
YOUTH DEVELOPMENT																			
Youth Development Officer	T10	174,615	14,551	31,431		10,998		1,785					86		2,857	236,321		236,321	
Youth Development Officer	T10	158,800	13,233	28,584				1,720					86		1,720	204,144		204,144	
		333,415	27,785	60,015		10,998		3,505					173		4,577	440,465		440,465	
LIBRARY																			
Assistant Librarian Ruston	T9	155,085	12,924	27,915		31,887		1,680					86		2,947	232,524		232,524	
Assistant Librarian Willowmore	T9	158,800	13,233		28,584	35,853		1,720			300		86		2,031	240,607		240,607	
Assistant Librarian Sloyerville	T9	158,800	13,233			48,108		1,720			100		86		2,144	222,392		222,392	
		472,885	39,390	27,915	28,584	113,847		5,121			800		250		7,122	695,523		695,523	
TRAFFIC																			
Superintendent: Licensing	T11	187,492	15,624					1,785					86		2,031	207,019		207,019	
Vehicle examiner	T10	201,311	16,776					1,785		850		3,932	86		2,189	226,929		226,929	
Examiner driver & learner licenses	T10	174,615	14,551	31,431			2,808	1,785		25,940	1,068		86		2,151	254,441		254,441	
Examiner driver & learner licenses	T10	158,800	13,233					1,720		8,561			86		1,806	184,207		184,207	
Examiner driver & learner licenses	T10	158,800	13,233	28,584				1,720					86		1,720	204,144		204,144	
Driver Simulator Facilitator	CON	54,000						540					86		540	55,166		55,166	
Cashier Traffic	T5	77,955	6,496	14,032				845					86		845	100,259		100,259	
		1,012,972	78,914	74,047			2,808	10,180		35,356	1,068	3,932	905		11,282	1,232,164		1,232,164	
FIRE																			
Fire Officer Willowmore	T10	187,492	15,624		33,749			1,785		28,730	300		86	4,829	2,470	284,918	2,400	287,318	
Fire Officer SV	T10	128,291	10,691	26,941				1,390		531	300		86	4,074	1,979	174,282		174,282	
		315,783	26,315	26,941	33,749			3,175		29,261	600		172	8,902	4,449	459,198	2,400	461,598	
TOTAL COMMUNITY SERVICES																			
		3,925,283	287,064	403,501	82,332	182,764	2,808	35,643	140,184	94,617	8,406	3,932	1,986	6,902	9,851	51,082	5,188,568	13,200	5,201,768
TOTAL SALARIES																			
		19,934,866	1,274,055	1,915,914	487,536	1,090,231	8,528	157,285	372,762	440,158	37,275	28,658	10,910	50,110	143,488	248,159	26,194,816	271,810	26,466,626

ANNEXURE C – SUMMARY LINE ITEMS

BAVIAANS MUNICIPALITY					
OPERATIONAL BUDGET		Budget	Adj Budget	Budget	Budget
PER MAIN REVENUE/EXPENDITURE SOURCE		2014/2015	2014/2015	2015/2016	2016/2017
Item	OPERATING REVENUE				
564	Property Rates				
	Property Rates	4,448,220	4,448,220	4,893,042	5,382,346
	Total Property Rates	4,448,220	4,448,220	4,893,042	5,382,346
	Penalties Imposed And Collection Charges on Rates				
	Total Penalties Imposed And Collection Charges on Rates				
	Service Charges				
566	Buckets	8,703	2,400	2,760	3,036
656	Septic tank	256,450	415,000	477,250	524,975
705	Availability charges	55,000	73,200	84,180	92,598
707	Water Sales	3,828,636	3,700,000	4,255,000	4,680,500
708	Electricity sales - Conventional	1,833,216	1,833,216	2,108,198	2,319,018
709	Electricity sales - Pre-paid meters	8,157,811	8,157,811	9,381,483	10,319,631
710	Electricity - Bulk	1,100,000	998,000	1,147,700	1,262,470
716	Refuse removal	2,768,225	2,768,225	3,183,459	3,501,804
719	Sewerage fee	1,991,616	1,991,616	2,290,358	2,519,394
	Total Service Charges	19,999,657	19,939,468	22,930,388	25,223,427
	Rent Of Facilities And Equipment				
588	Rental of assets	22,000	400	440	484
636	Rental of facilities	1,760	150,000	165,000	181,500
668	Hall hire	18,700	26,000	28,600	31,460
670	Sportgrounds	110	2,250	2,475	2,723
638	Rental of Drivers license testing facility	-	-	56,100	56,100
	Total Rent Of Facilities And Equipment	42,570	178,650	252,615	272,267
	Interest Earned - External Investments				
652	Interest on fixed deposits	88,000	110,000	121,000	133,100
	Total Interest Earned - External Investments	88,000	110,000	121,000	133,100
	Interest Earned - Outstanding Debtors				
644	Interest - overdue accounts	246,400	301,875	332,063	365,269
648	Interest on Assessment Rates	126,500	179,880	197,813	217,594
	Total Interest Earned - Outstanding Debtors	372,900	481,755	529,876	582,863
	Dividends Received				
	Total Dividends Received				
700	Fines				
	Fines	10,000	2,000	2,000	2,000
	Total Fines	10,000	2,000	2,000	2,000
	Licenses & Permits				
607	Learners licenses	61,974	130,460	143,506	157,857
608	Drivers licenses	581,537	625,810	688,191	757,230
	Total Licenses & Permits	643,511	756,270	831,697	915,087
	Income For Agency Services				
613	Commission Agency fee - Dept of Transport	782,280	687,000	715,700	831,270
	Total Income For Agency Services	782,280	687,000	715,700	831,270
	Grants & Subsidies Received - Operating				
594	Equitable Share	20,481,000	20,481,000	23,452,000	24,047,000
567	Finance Management Grant	1,600,000	1,600,000	1,600,000	1,625,000
570	Municipal Systems Improvement Grant	934,000	934,000	930,000	957,000
676	Income Cond Grant MIG: PMU	494,000	494,000	443,500	451,850
681	Library subsidy	300,000	300,000	300,000	316,000
682	Subsidy / Cecadu	620,000	620,000	250,000	250,000
734	EPWP	1,390,000	1,390,000	1,018,000	0
825	Conditional Grant: Tourism	-	-	60,000	-
820	Income Cond Grant - AG	-	1,700,000	-	-
	Total Grants & Subsidies Received - Operating	25,819,000	27,519,000	28,052,500	27,646,850
	Grants & Subsidies Received - Capital				
073	Income Cond Grant INEG	900,000	900,000	-	-
829	Income Cond Grant MIG	9,404,000	9,404,000	8,426,500	8,585,150
826	Income Cond Grant RBIG	20,000,000	32,031,756	23,808,000	-
834	Income Cond Grant Housing	9,404,956	134,979	-	-
833	Income Cond Grant DTI	2,830,780	2,326,790	-	-
	Income Cond Grant DWA (ACIP)	-	-	1,816,000	-
	Total Grants & Subsidies Received - Capital	42,539,736	44,797,525	34,050,500	8,585,150
	Other Revenue				
508	Connection fees	36,100	37,820	43,493	47,842
516	Cemetery fees	11,000	11,000	12,100	13,310
536	Building plans	12,000	3,100	3,410	3,751
560	Sundry Income	62,762	103,277	57,702	63,473
561	Commission - Collection	27,500	27,500	27,500	27,500
562	Membership Fees	80,000	54,000	59,400	65,340
565	Single Maps	5,000	5,000	5,500	6,050
568	Faxes and photocopies	850	6,000	6,600	7,260

OPERATIONAL BUDGET		Budget	Adl Budget	Budget	Budget	Budget
PER MAIN REVENUE/EXPENDITURE SOURCE		2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
601	Disconnection fee	550	550	633	696	765
612	New Service Connection	11,000	5,500	6,325	6,958	7,653
616	Rezoning fees	5,800	-	5,800	6,380	7,018
637	Pound fees	638	1,500	1,650	1,815	1,997
679	Donations	-	-	190,000	-	-
715	SETA claims	30,000	30,000	30,000	30,000	30,000
720	Valuation Fees	21,200	26,000	28,600	31,460	34,606
721	Application fee consent use	250	-	250	275	303
722	Consent use	1,750	-	1,750	1,925	2,118
723	Encroachment	3,000	-	3,000	3,300	3,630
736	Letter of demand	110	-	-	-	-
736	Summons	110	-	-	-	-
Total Other Revenue		309,760	311,247	483,713	317,334	343,317
Gain On Disposal Of Property, Plant & Equipment		-	100,000	-	-	-
800	Profit on sale of assets	-	100,000	-	-	-
Total Gain On Disposal Of Property, Plant & Equipment		-	100,000	-	-	-
Total Operating Revenue Generated		95,055,634	99,331,084	92,904,231	69,691,694	73,809,483
Less Revenue Foregone		-	-	-	-	-
223	Rates Rebate	(71,705)	(71,705)	(78,875)	(86,763)	(95,439)
Total Less Revenue Foregone		(71,705)	(71,705)	(78,875)	(86,763)	(95,439)
Total Direct Operating Revenue		94,983,929	99,259,380	92,825,355	69,604,931	73,714,044
INTERNAL TRANSFERS		-	-	-	-	-
Interest Received - Internal Loans		-	-	-	-	-
Total Interest Received - Internal Loans		-	-	-	-	-
Internal Recoveries (Activity Based Costing Etc)		-	-	-	-	-
Total Internal Recoveries (Activity Based Costing Etc)		-	-	-	-	-
Dividends Received - Internal (From Municipal Entities)		-	-	-	-	-
Total Dividends Received - Internal (From Municipal Entities)		-	-	-	-	-
Total Indirect Operating Revenue		-	-	-	-	-
Total Operating Revenue		94,983,929	99,259,380	92,825,355	69,604,931	73,714,044
OPERATING EXPENDITURE		-	-	-	-	-
Employee Related Costs - Wages & Salaries		-	-	-	-	-
001	Salaries	16,449,736	16,348,686	18,285,821	19,346,399	20,410,450
002	Wages	0	0	110,870	117,300	123,752
004	Allowance	31,914	37,775	37,275	39,437	41,808
006	Allowance	575,383	386,000	372,762	394,382	416,073
015	Allowance	90,600	90,600	90,600	95,855	101,127
017	Overtime	461,414	421,967	440,158	465,687	491,300
019	Allowance	178,601	218,180	193,579	204,807	218,071
020	Bonus	1,113,721	1,079,574	1,274,054	1,347,949	1,422,087
021	Long service award	56,424	64,886	28,858	30,320	31,988
390	Contribution to Long service award provision	0	33,723	35,814	37,891	39,975
391	Contribution to Post retirement medical aid prov	0	(130,860)	(138,973)	(147,034)	(155,121)
397	Contribution to Leave pay provision	0	75,400	80,075	84,719	89,379
TOTAL EMPLOYEE RELATED COST - WAGES & SALARIES		18,957,773	18,655,961	20,810,693	22,017,713	23,228,687
Employee Related Costs - Social Contributions		-	-	-	-	-
007 Contribution:	Group Insurance	3,503	9,344	6,528	6,907	7,287
008 Contribution:	Medical Aid	810,164	840,045	894,815	946,715	998,784
009 Contribution:	Skills Development	178,415	224,453	246,160	260,437	274,761
010 Contribution:	Pension Fund	1,952,575	1,611,657	1,915,914	2,027,037	2,138,524
011 Contribution:	U.I.F	143,583	143,026	157,282	166,404	175,556
012 Contribution:	Industrial Council	8,376	8,957	10,010	10,591	11,173
014 Contribution:	Provident fund	0	438,988	487,537	515,814	544,183
045 Contribution:	Medical Aid Pensioners	145,982	157,532	166,826	176,502	186,739
Total Employee Related Costs - Social Contributions		3,242,598	3,434,003	3,885,072	4,110,406	4,337,008
Less Employee Costs Capitalized		-	-	-	-	-
Less Total Employee Costs Capitalized		-	-	-	-	-
Less Employee Costs Allocated To Other Operating Items		-	-	-	-	-
Less Total Employee Costs Allocated To Other Operating Items		-	-	-	-	-
Remuneration Of Councillors		-	-	-	-	-
788 Allowance:	Councillors	1,571,811	1,571,811	1,648,845	1,739,532	1,831,727
791 Allowance:	Telephone & 3 G	171,276	171,276	181,210	191,177	201,309
789 Contribution:	Medical Aid	12,168	25,250	28,589	30,161	31,760
Total Remuneration Of Councillors		1,755,255	1,768,337	1,858,644	1,960,869	2,064,796
Bad Debts		-	-	-	-	-
398	Debt Impairment - Bad debt	-	1,200,000	-	-	-
Total Bad Debts		-	1,200,000	-	-	-
Collection Costs		-	-	-	-	-
Total Collection Costs		-	-	-	-	-

OPERATIONAL BUDGET PER MAIN REVENUE/EXPENDITURE SOURCE		Budget 2014/2015	Adj Budget 2014/2015	Budget 2015/2016	Budget 2016/2017	Budget 2017/2018
298	Depreciation					
	Depreciation - moveables	1,421,750	1,421,750	1,427,470	1,427,470	1,427,470
305	depreciation - Infrastructure	14,178,250	14,178,250	14,572,530	14,602,530	14,652,530
	Total Depreciation	15,600,000	15,600,000	16,000,000	16,030,000	16,080,000
	Repairs And Maintenance - Municipal Assets					
301	EPWP	1,390,000	1,390,000	1,018,000	-	-
306	Sanitation network	90,000	50,000	95,220	100,457	105,781
307	Grounds and fencing	57,500	25,000	26,805	28,279	29,778
309	Tools and Equipment	50,000	50,000	52,912	55,822	58,781
310	Electricity Network	125,000	155,000	255,000	269,025	283,283
311	Water Network	95,580	155,000	205,000	216,275	227,738
312	Buildings	70,000	70,000	241,060	78,133	82,274
314	Sports grounds	30,000	30,000	31,740	33,486	35,260
318	Furniture & Equipment	32,347	26,347	35,223	37,163	39,135
320	Parks	5,310	5,310	5,618	5,927	6,241
324	Streets	110,000	110,000	116,380	122,781	129,288
325	TV maintenance	22,000	22,000	23,276	24,556	25,858
327	Street lights	53,100	53,100	56,392	56,392	56,392
333	Equipment and Prepaid meters	53,100	53,100	136,392	136,392	136,392
336	Traffic signs	55,000	55,000	58,190	61,390	64,644
339	Vehicle Maintenance	350,460	297,960	289,663	305,595	321,791
	Total Repairs And Maintenance - Municipal Assets	2,589,397	2,547,817	2,646,872	1,531,674	1,602,638
	Interest Expense - External Borrowings					
	Interest paid- bank overdraft	-	-	35,000	36,925	38,882
201	Interest paid - outstanding accounts	1,128,906	1,128,906	800,000	844,000	888,732
308	Interest paid - finance leases	-	-	260,000	274,300	288,838
	Interest paid - Post retirement benefits	-	-	100,000	105,500	111,092
	Interest paid - Non-current provisions	-	-	110,000	116,050	122,201
	Total Interest Expense - External Borrowings	1,128,906	1,128,906	1,305,000	1,376,775	1,449,744
	Redemption Payments - External Borrowings					
	Total Redemption Payments - External Borrowings	-	-	-	-	-
	Bulk Purchases					
099	Electricity purchases	10,153,318	9,300,000	10,620,000	11,204,100	11,797,917
	Total Bulk Purchases	10,153,318	9,300,000	10,620,000	11,204,100	11,797,917
	Contracted Services					
	Total Contracted Services	-	-	-	-	-
	Grants & Subsidies Paid					
221	Free basic services	5,284,823	6,696,487	7,267,966	8,049,763	8,789,739
222	Free Basic Services Repairs	-	-	60,000	66,000	72,600
	Total Grants & Subsidies Paid	5,284,823	6,696,487	7,327,966	8,115,763	8,862,339
	General Expenses - Other					
005	Uniforms	90,000	90,000	95,220	100,457	105,781
023	Ward Committees	0	16,000	16,928	17,859	18,806
026	Branding and Advertising	5,000	5,000	5,290	5,581	5,877
028	Communication	0	140,000	0	0	0
029	Agency commission	185,850	210,100	222,286	234,512	246,941
031	Roads forum	15,930	0	16,850	17,777	18,719
034	Sports	10,000	1,000	10,580	11,162	11,753
035	Small farmers	10,000	10,000	10,580	11,162	11,753
037	Sundry Expenses: Tourism	20,000	20,000	21,160	22,324	23,507
038	Workshop	10,000	10,000	10,580	11,162	11,753
039	Road Signs	10,000	0	10,580	11,162	11,753
040	Websites	20,000	20,000	21,160	22,324	23,507
041	Marketing	40,000	40,000	42,320	44,648	47,014
044	Product Development	40,000	40,000	42,320	44,648	47,014
046	Cacadu Grant Tourism	324,561	324,561	52,632	0	0
047	Newsletters	0	0	36,000	37,980	39,993
048	Advertising	37,170	47,200	55,000	58,025	61,153
049	Town Planning	10,620	0	11,236	11,854	12,482
050	Work Skills Plan	30,000	30,000	31,740	33,486	35,260
051	S&T Allowances	94,550	94,550	123,034	129,801	136,680
052	EPWP (own)	45,000	47,900	0	0	0
053	Consultancy fees	50,000	30,000	130,000	137,150	144,419
054	Bank Cost	191,160	210,000	222,180	234,400	246,823
055	Animal Protection	16,000	16,000	16,928	17,859	18,806
056	Libraries	100,000	100,000	100,000	105,500	111,092
057	Assistant Fund	30,000	15,000	15,870	16,743	17,630
059	LED Training	25,000	5,000	26,450	27,905	29,384
060	Vehicle - Fuel and oil	1,293,516	1,149,480	1,211,992	1,278,651	1,346,420
069	Chemicals	226,648	160,000	169,280	178,590	188,056
072	General expenditure	5,000	0	0	0	0
078	Stationery	513,242	466,193	335,462	353,912	372,670
080	Rental of equipment	244,260	320,000	338,560	357,181	376,111
081	Service charges - Electricity	1,210,680	1,386,285	1,599,967	1,687,965	1,777,428
082	Finance management grant	1,589,965	1,589,965	1,467,122	1,486,842	1,555,087
084	Municipal Services	420,345	493,779	641,438	705,582	776,140
087	Printing	0	0	302,450	320,525	339,167
114	Consumable items	38,000	38,000	41,000	43,255	45,548
116	Youth development	25,000	0	26,450	27,905	29,384

OPERATIONAL BUDGET		Budget	Adi Budget	Budget	Budget	Budget
PER MAIN REVENUE/EXPENDITURE SOURCE		2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
121	Fire Fighting	104,654	25,000	26,550	28,010	29,495
123	Licences	43,571	28,185	40,440	42,664	44,926
141	Registration at deeds office	53,631	35,000	37,030	39,067	41,137
144	Audit Cost	1,133,405	1,700,000	1,600,000	1,688,000	1,777,464
145	Internal Audit Cost	700,000	300,000	500,000	527,500	555,458
150	Postage	233,640	233,640	241,101	254,362	267,843
154	Courier Cost	0	0	4,125	4,352	4,583
159	Radio licenses	2,124	2,124	0	0	0
162	Legal Cost	100,000	100,000	105,800	111,619	117,535
180	Street lights	0	0	65,650	69,261	72,932
181	Datalines	0	0	148,550	156,720	165,026
182	Cellular phone charges	0	0	45,000	47,475	49,991
183	Telephone charges	582,808	596,593	443,227	467,604	492,387
195	Insurance	261,593	326,780	345,733	364,749	384,080
200	Valuation of properties	0	160,000	30,000	31,650	33,327
202	Refuse bags	150,000	150,000	158,700	167,429	176,302
204	Water Research	47,790	52,000	55,016	58,042	61,118
206	Professional fees	0	70,000	74,060	78,133	82,274
217	Workmens Compensation	0	220,000	233,640	246,490	259,554
218	Membership fees SALGA	400,000	500,000	500,000	500,000	500,000
220	MSIG	826,670	826,670	30,000	31,650	33,327
222	Free basic service repairs	31,860	41,860	0	0	0
292	PMU	494,000	494,000	443,500	451,850	464,350
295	Vehicle Tracking	310,104	136,100	142,560	150,401	158,372
296	IT expenses	530,000	1,200,000	534,589	563,991	593,883
	Bluedrop sampling	0	126,000	216,000	227,880	239,958
	Greendrop sampling	-	42,000	76,176	80,366	84,625
	Total General Expenses - Other	12,983,349	14,491,967	13,578,091	14,195,151	14,933,857
	Loss On Disposal Of Property, Plant & Equipment	-	-	-	-	-
	Total Loss On Disposal Of Property, Plant & Equipment	-	-	-	-	-
	Contributions To/(From) Provisions	-	-	-	-	-
	Total Contributions To/(From) Provisions	-	-	-	-	-
	Total Direct Operating Expenditure	71,695,418	75,223,478	78,032,338	80,542,451	84,356,986
	INTERNAL TRANSFERS	-	-	-	-	-
	Interest - Internal Borrowings	-	-	-	-	-
	Total Interest - Internal Borrowings	-	-	-	-	-
	Internal Charges (Activity Based Costing Etc)	-	-	-	-	-
	Total Internal Charges (Activity Based Costing Etc)	-	-	-	-	-
	Total Indirect Operating Expenditure	-	-	-	-	-
	Total Operating Expenditure	71,695,418	75,223,478	78,032,338	80,542,451	84,356,986
	SURPLUS	-	-	-	-	-
	Operating Surplus / (Deficit) - Total Revenue Less Total Expenditure Less Tax	23,288,511	24,035,902	14,793,017	(10,737,520)	(10,642,942)
	Operating Surplus / (Deficit) - After Tax	23,288,511	24,035,902	14,793,017	(10,737,520)	(10,642,942)
	Cross Subsidization	-	-	-	-	-
	Total Cross Subsidization	-	-	-	-	-
	Plus Interests In Entities Not Wholly Owned	-	-	-	-	-
	Plus Total Interests In Entities Not Wholly Owned	-	-	-	-	-
	Surplus / (Deficit) After Tax, Cross Subsidies & Share Of Associates	23,288,511	24,035,902	14,793,017	(10,737,520)	(10,642,942)

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